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HAVING FAILED to budge their employers by more peaceful means, the cotton-textile workers have at length walked out. First reports indicate that the strike began by being at least 50 per cent effective in the South, but it still remains uncertain how far the walkout will extend to the wool and silk divisions of the textile industry. In any event, this is the first truly nation-wide strike of a major industry under the NRA, the threatened automobile and steel walkouts both having faded out. The U. T. W. A. is demanding a decrease in the work-week from forty to thirty hours with appropriate upward adjustments in pay rates. This, however, is not the most fundamental demand. In addition, the workers are striking against the extension of the stretch-out system, against the industry's production-curtailment program, against the incessant discharge of workers for union membership, and against the various tricks and stratagems by which employers have evaded compliance with present code provisions. Furthermore, the union wants "recognition," the most familiar issue of all in Section 7-a strikes since the summer of 1933. The Cotton Textile Institute refuses to consider any of these demands, singly or collectively. Instead, the institute points complacently to the supposed blessings of the original cotton-textile code, and expresses pained surprise that workers so blessed should ask for more. If the strike succeeds, the way will be opened to the complete unionization of the South. If the strike fails, it will be the heaviest setback any individual union has suffered since the Recovery Act became law.

TWO PRINCIPLES basic to the theory of collective bargaining have been enunciated by the National Labor Relations Board in its recent decision in the case of Federal Union No. 18838 of the United Automobile Workers and the Houde Engineering Corporation of Buffalo, New York. First, majority rule, the fundamental idea of democratic self-government, must apply in industrial relations as well as in politics. Concretely, when the majority of the workers choose a given labor organization as a "representative" within the meaning of Section 7-a, that representative shall be the "exclusive collective-bargaining agency of all employees." Second, the employer owes it as a duty to such a representative to negotiate in "good faith" so as to arrive at a collective agreement covering wages, hours, and other working conditions. Here we have a theory of industrial relations which starts from majority rule and advances to union recognition and the execution of bilateral contracts. Step for step it parallels the theory formerly developed by the now-defunct Wagner board. Like its predecessor, the Garrison board proceeds on the assumption that it was the intent of Section 7-a, *in guaranteeing collective bargaining, to promote the* making of collective agreements between trade unions and employers. This is no doubt bad news to anti-union employers, but it is good news to all who have the interests of the labor movement at heart. The repercussions of the Houde decision on the President's automobile-strike "settlement" of March 25 last will be most interesting to observe.

FIVE BIG STEEL COMPANIES, led by the United States Steel Corporation, have put their white-collar employees on the five-day week, with a corresponding salary cut amounting to 10 per cent. This reduction follows the sharp decline in steel production, which dropped from 52 per cent of capacity in June to 19 per cent in August. The announced salary cut gives little indication of the actual condition of the 40,000 salaried employees in the steel industry. Not only have they suffered three previous reductions of 10, 15, and 10 per cent, but part-time employment has kept the income of many of the clerical force below a subsistence standard. The pay cut has not yet been extended to the wage workers in the mills, but past history would indicate that wage cuts will shortly follow. As Maxwell Stewart points out elsewhere in this issue, recovery lies in an increase of consuming power. If it is true that "as steel goes, so goes the country," then the considerable slice which the steel companies have taken out of consuming power provides significant confirmation of Mr. Stewart's view that the New Deal is still badly in the red and getting worse.

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THE PROSPECT that the Soviet Union will be officially admitted into the League of Nations, with a seat on the Council, shortly after the meeting of the Assembly on September 10 is one of the most heartening international developments of recent years. Adherence to the League by the largest of the non-member states will not only offset to a large extent whatever loss of prestige was suffered as a result of the withdrawals of Japan and Germany, but bring tremendous pressure on both of these countries for reentry. It should also substantially reduce the danger of an immediate conflict either in Europe or the Far East. Flanked on three sides by strong League Powers, Nazi Germany is much less likely to indulge in bellicose maneuvers than would otherwise be the case, and it is probable that as the result of League pressure both Germany and Poland will be forced to accept the proposed pact of non-aggression, known as the Eastern Locarno, which would afford at least a breathing spell for the nations bordering Germany's eastern frontier. It is possible, moreover, that the Soviet Union will request the League to investigate the provocative acts of the Japanese along the Chinese Eastern Railway, thus seriously hampering local Japanese militarists in their attempt to force Russia to accept Tokio's terms. And while it is perhaps too much to hope that the entrance of the Soviet Union will immediately turn the League into an effective instrument for peace, we can at least be assured that with Litvinov at Geneva, League sessions will no longer be dull and lethargic.

NEGOTIATIONS over the Russian debt have now come to a standstill. Mr. Troyanovski has made his "final" offer and the State Department has rejected it. The breakdown was over the issue of long-term credits. The final Russian offer introduced a new compromise, in that the Russians expressed willingness to divide the sum to be received on loan into two parts, one to be repaid in twenty years, the other to be made up by the usual short-term credits. Both parts were to bear interest at an increased rate, the increase to be applied toward the repayment of Russia's debt. The Russians felt this offer would not establish a precedent which Great Britain, France, and Germany could immediately seize upon. For to each of these countries they could offer a similar settlement if there were a similar long-term loan. But the State Department would not hear of credits longer than five years, and there the matter rests for the present. As the Russians are ready to commit themselves to spend a total of $200,000,000 in this country on this basis, it is hard to believe that negotiations will not be resumed later on. The thought suggests itself that the autumn campaign may not have been considered a propitious time for the Administration to announce a return to the unpopular practice of making long-term loans to foreign governments. The Russian plan, however, would not controvert the Johnson Act, in that the loans and credits would be made through the new Export-Import Bank, which is exempt from its terms. After the elections are over the President and American industry may look on a two-hundred-million-dollar order with more friendly eyes.

JAPAN'S DISARMAMENT PROPOSALS, which are to be presented at the preliminary naval negotiations at London, have the merit of both simplicity and economy—for Japan. Each of the three great naval Powers would be limited, according to the preliminary plan, to a global tonnage of 800,000. As this is approximately the size of the Japanese fleet at the present time, no expenditures would be required except for replacements, and Japan would avoid the necessity of scrapping its existing vessels. The disarmament, neatly enough, would be done by Great Britain and the United States, each of which would be compelled to reduce its fleet by upward of 300,000 tons. The plan would allow each country full freedom to decide on the type of ships which it required, except that the size of ships in certain categories would be limited. In exchange for the "face" obtained by the recognition of the principle of equality, the Japanese government is reported to be willing to enter into an informal understanding not to build up to parity. If the other Powers reject these proposals, which is almost certain, the Japanese appear to be determined to abrogate the Washington naval treaty. The real struggle at the preliminary negotiations, however, does not turn so much on the technicalities of armaments as on inclusion of political questions, notably the issues with regard to Manchoukuo. It is obvious that neither the United States nor Great Britain will grant anything approaching equality as long as Japan retains its strategic but illegal position on Chinese soil. The present negotiations are but the preliminary skirmishes in what promises to be a long-drawn-out and bitter struggle.

THE PRESENT TEMPER of the American people is "strongly conservative," if newspaper editorials are a criterion of the social and political attitudes of the population. This is the conclusion arrived at by *Trust Companies,* a monthly publication devoted to the interests of fiduciaries, after a six months' survey of newspaper opinion. In this survey ultra-conservative papers were graded 100 per cent and radical papers zero. Papers described as "wavering" in their adherence to the dogmas of 100-per-cent Americanism rated only 50 per cent; any substantial evidence of progressivism dropped the rating to 20 per cent. The regional comparisons shown in the survey are interesting. New England is at the top of the scale with 76.3 per cent and the Pacific Coast at the bottom with 58.4 per cent. However, we seem to detect one vital flaw in the survey's most fundamental premise; the assertion that "readers buy newspapers whose opinions most closely reflect their own outlook" ignores the quite obvious fact that most newspapers "reflect the outlook," not of their readers or even primarily of their editors or writers, but rather of their publishers and, a little less directly, of the advertisers upon whom their very life depends. Furthermore, radicals and liberals are obliged to read conservative papers because under modern conditions the expense of news gathering is so huge as to prevent the radical press from providing a comparable news service.

AMONG the most disquieting developments of the summer has been the evidence, which has come in from all sides, of a renewed campaign to force teachers in the schools to hew the line of orthodoxy. In Toledo six teachers were warned openly that their 1934-35 contracts would be withheld unless they recanted their radicalism. In one case the only charge against the teacher was that he had used Professor Tugwell's book for reference purposes. Previously the Board of Education had passed a resolution forbidding teachers and other citizens from speaking in board meet-

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ings without the authorization of the superintendent. Excitement has been aroused in North Carolina and in education circles generally by the dismissal of James M. Shields, principal of a school in Winston-Salem, for the single offense of writing a novel on school conditions called "Just Plain Larnin'." Meeting in San José, California, on July 31, the presidents of seven teachers colleges unanimously approved the suggestion of the State Superintendent of Public Instruction that all teachers, students, and school employees be required to sign a "pledge of loyalty to the country that will give an expression of absolute allegiance to the United States of America." In New York, Governor Lehman, with the hearty approval of the Benevolent and Protective Order of the Elks, has signed the notorious Ives bill requiring all teachers in public and private schools to swear unqualified support of both the federal and State constitutions. We wonder whether the patriotic gentlemen who passed these rulings are aware that no less than 16 per cent of the framers of the Constitution were foreigners, and that probably the majority of the citizens of the period were opposed to its adoption. Where, we wonder, would our revered ancestors have secured their teachers if Mr. Ives's great-great-grandfather had been on the job? But of course there were no Communists in 1789.

WE ARE NOT enthusiastic about Mayor LaGuardia's business tax as a means of obtaining funds for unemployment relief. Judged by all the principles of sound taxation, it is an extremely unsatisfactory means of raising revenue. It is cumbersome, discriminatory in certain features, and politically unpopular. There is a strong probability that, even with the proposed amendments, the tax will be pyramided and passed on to the consumer in the form of higher prices. Undoubtedly a luxury tax such as that suggested by ex-Mayor O'Brien, or a levy on higher incomes as proposed by the Socialists, would be vastly more equitable. But the necessity of providing adequate funds for relief must take precedence over all other considerations. With 400,000 families, nearly a quarter of New York's population, already on the relief rolls, and the prospect of a substantial addition this fall and winter, it is obvious that there can be no prolonged quibbling about the form of taxation. And we strongly suspect, on the basis of recent experience, that no tax which was imposed on those most able to pay would have any chance of being adopted. All of which leads us to the rather half-hearted conclusion that Mayor LaGuardia's tax is better than nothing and probably as good as we can hope to get.

THE INVESTIGATION into the trade disputes in Bombay, referred to in Mr. Menon's article elsewhere in this issue, has revealed a number of facts regarding the Indian textile industry which illustrate the serious obstacles faced by the labor movement in that country. Bombay, long the center of the textile trade, has naturally been among the most advanced in labor organization. During the past eight years there have been 471 strikes in the province of Bombay, involving a loss of nearly 35,000,000 working days. Of this total the city of Bombay itself has suffered a loss of over 32,000,000 days, while further to the north its chief rival, Ahmedabad—Gandhi's home—has been almost completely free from labor difficulties. Thus while the mill-owners of Bombay have been forced to content themselves with relatively moderate profits, the mills in Ahmedabad have been paying from 14 to 100 per cent a year. Even in 1932, at the lowest point in the depression, the profit was 16 per cent. Lured by high profits and freedom from labor difficulties, scores of mills have moved from Bombay either to Ahmedabad or to southern India, where wages are scarcely half those in the north. In addition to the difficulties imposed by geographic differences, the Indian workers have been greatly handicapped by lack of funds or reserves to fall back on in time of strike, especially since the police habitually bring pressure to bear on money lenders and shopkeepers to stop all advance of credit. Police interference is open and unabashed, and instances have been recorded where the employers publicly rewarded the police upon the successful termination of labor disturbances.

IN SOME STATES the consumer pays more for commodities than in others because of a sales tax, the revenue from which aids State finances. In other States local conditions or increased costs affect prices. But in New Jersey prices are higher than in New York or Pennsylvania, and the difference goes neither to the State nor to the producer. That is because New Jersey has a State system of codes which overlaps the NRA code system, and as a sovereign State enjoys the rare privilege of fixing prices. Only eighteen codes are in effect, about half of them in the service trades, and they have been enforced only a few months, but it is estimated they are taxing consumers at the rate of a million dollars a year—a million dollars which is spent only in enforcing the codes and in paying the salaries of a horde of State recovery officials. In spite of the satisfaction with which these codes are regarded by State officials and their politician friends, who hand out jobs just to help along the Democrats in their gubernatorial-senatorial campaign, a storm of protest from consumers and business men has forced the issue out into the open. General Johnson upheld the New Jersey codes if they would eliminate "existing inconsistencies" with the parent NRA codes and handed over to the politicians complete responsibility in the service trades. But meanwhile small business men, arrested for violation of the codes by price-cutting, are preparing to fight the matter out in the courts on the basis of constitutionality.

WITH THIS WEEK'S ISSUE of *The Nation,* Raymond Gram Swing becomes a member of the Board of Editors. Mr. Swing has for many years been a friend and occasional contributor of *The Nation;* he was, indeed, a member of the editorial staff during the winter of 1918-19. He will serve in the double capacity of editor and Washington correspondent, contributing a weekly letter of national developments. Mr. Swing brings with him an equipment much needed at this moment in American life—an intimate, first-hand acquaintance with the political and economic struggles of Europe throughout the post-war years. As correspondent in Berlin and, lately, in London, he has absorbed and interpreted the experiences that have accompanied the processes of economic collapse and political upheaval. This background has given him a perspective upon our own national crisis, the value of which is evident in his first article from Washington, The Strike of Capital, appearing in this issue.

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The Munitions Investigation

THE Senate Munitions Committee headed by Senator Nye could hardly have chosen a more appropriate moment to launch its investigation of the armament industry. The hearings, which began in Washington on September 4, come at a time when the makers of war materials are enjoying the best business in years. They are far more active, if we can judge by the mounting totals of military expenditure throughout the world, than they ever were in the prosperous years before the World War. In the spring of 1914, when Philip Snowden startled the House of Commons with his charges against the British armament ring, the principal Great Powers were spending some two billion dollars annually on their armies and navies. Today they are spending from 30 to 300 per cent more than they did in 1914.

Mounting military budgets, however, are only one of the indices of business activity in the armament field. Warfare in the Gran Chaco continues unabated despite President Roosevelt's arms embargo last May and the feeble efforts of the League of Nations to block shipments from other producing centers. Nazi Germany is importing airplanes and airplane engines from abroad, while Air Minister Göring is speeding aviation construction at home. Japan is buying scrap iron, nitrates, and other essential war materials for its huge army and navy replenishment programs.

The Nye committee is in a position to expose the nature of this bloody traffic if it is only intelligent enough to seize the opportunity and courageous enough to carry through to the bitter end. We hope it will avoid the mistake of some zealous reformers who would have it set out to apprehend a band of "villains." Most of the gentlemen engaged in the arms industry are simply following the accepted rules of business and seeking in turn a neat profit wherever they can; there are "villains," no doubt, but they are relatively unimportant. What is important is the fact that the whole system is rotten, that it is a breeder of international suspicion, a source of corruption, and an essential part of all "national-defense" programs.

There are a great many pertinent questions about the armament industry which *The Nation* would like to see cleared up. We should like to know, for example, just how some American firms have managed to continue their shipments to the Chaco since the President's embargo proclamation. The Nye committee should be able to tell us why the State Department and the Department of Justice are still sanctioning the export of these war materials and what action the exporting companies took to secure contracts from the belligerents in the last hours before the embargo became law. We should like to know the sales-promotion methods employed in the case of Latin American countries which are in default on their government bonds, but are still able to place munitions orders. There was a revolution in Brazil a few years ago which incidentally reaped a profit for certain American munitions interests, though how it was financed we do not know. Shortly afterward the Brazilian congress, despite a deficit in the federal treasury, voted an expensive naval program in which one of the big American shipbuilding firms was actively interested. Then we are curious, too, about the reported munitions shipments which have been going to Cuba in recent months, apparently to both the government and the revolutionary factions.

The basic question which confronts the Senate investigation, however, comes much closer home. The War and Navy departments, of course, are the best customers of the American munitions industry. They are more than customers; they are close associates and business allies. It is the established policy of both the army and navy to "encourage" the development of the private arms industry in the United States. The three American shipbuilding companies which employed William B. Shearer to attend the Geneva disarmament conference in 1927 enjoy the whole-hearted support of the Navy Department and continue to get the lion's share of the current naval-building contracts. They were awarded contracts amounting to more than $100,000,000 on thirteen of the twenty-one ships laid down in private yards during the last twelve months. Their bids, incidentally, are said to have revealed evidence of collusion. The du Pont Company is the chief source of supply for the smokeless powder used by the army and navy, and as such a close ally of the two departments.

The War Department justifies its "encouragement" of the domestic armament makers on the ground that private industry must be equipped and ready to meet the needs of the nation in an emergency. This position might be tenable if the fantastic plan for industrial mobilization were really necessary to defense. But when the Chief of Staff asserts that the whole scheme is based on the requirements of our four field armies, amounting to 4,000,000 men, he gives his case away. He reveals what is undoubtedly true, that the War Department is not preparing for the defense of American soil but for participation in another world war, whether in Europe or Asia, fought with the same mass armies which produced the stalemate and useless slaughter in the last war. If the average American wants to do anything about the profiteers, he will have to scrap the national-defense system which produced them and nurtures them.

Before it gets far the Nye committee is certain to arouse the ire of the War and Navy departments. The War Department is opposed to all arms embargoes. It has the power to sidetrack this investigation. We do not know whether the Nye committee realizes the full implications of its investigation, or whether it can withstand the pressure which will be brought to bear against it from powerful quarters. Senator Nye has promised to see the fight through. His staff of investigators, under the able direction of Stephen Raushenbush, has had three months in which to examine the books and records of the industry and the files of government departments. He should be able to demonstrate the urgent need for an effective system which would eliminate excessive profits by taxation, control manufacture and export, and establish government manufacture in the basic fields of shipbuilding, armor plate, ordnance, and airplanes. This would not eliminate all the abuses, but it would be a start in the right direction.

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Shall the Government Feed Strikers?

MORE and more the power of government to give or to withhold relief will become the crucial factor in the struggle of labor under the New Deal. Harry Hopkins, FERA director, has said repeatedly, "Yes, the FERA has fed strikers and will feed strikers." All strikers, any time and anywhere? Not quite. Mr. Hopkins, under fire from belligerent employers, was obliged to qualify his statement. Relief might be withheld, he admitted, in the case of strikes disapproved by the Department of Labor, although thus far there have been no such strikes. Later Mr. Hopkins said that he did not intend that indefinite support should be given to strikers, and that "if they think we are going to underwrite their strike they are mistaken."

But is it the function of the Department of Labor to approve or disapprove strikes? No, the Department of Labor, the National Labor Relations Board, and other related government agencies are in theory neutral, their functions being limited to interpreting and protecting the rights of employees and employers as these are prescribed by law. Public Resolution Number 44, the President's substitute for the Wagner bill, declares in its last section, inserted on the insistence of Senator La Follette, that "the right to strike remains intact." The resolution also provides that the National Labor Relations Board may investigate the facts and issues of a given industrial conflict with respect to both employers and employees. This is not new. The former National Labor Board, General Johnson, and the various NRA boards have repeatedly investigated industrial disputes and have repeatedly supported labor's right to organize and bargain collectively. But Mr. Hopkins's statement provides the first intimation that the government might go beyond this function and decide whether a given strike was or was not "justifiable," employing the weapon of relief to enforce its decision.

It is a crucial point. For the first time, out of the fog of the New Deal, there emerges the faint outline of something very like the "corporative state." If the government, after permitting employers to write codes limiting production and fixing wages, were to use the power of giving or withholding relief to back or break strikes, the resulting situation would be fascist in effect, by whatever name it was called.

The textile strike will supply the first major test. It involves, potentially at least, about 800,000 workers, practically all of whom now live at or below the subsistence level. Thousands of them are now getting relief to supplement even the meager minimum wages written into the codes. In the South chiseling employers have forced wages considerably below the code minimum of $12 a week. The cry of reactionary employers, "The government is subsidizing strikes," utterly misrepresents the true situation. In the first place, the relief administration, in feeding strikers, is acting in its only legitimate role—that of an impartial agency distributing relief to destitute persons who are acting within their rights under the law. In the second place, there is the additional and ironical fact that the striking textile workers are struggling to help the government put the burden of supporting workers where it belongs, on industry. If the Administration betrayed its worker-allies by withdrawing relief, it would simply be betraying and abandoning its own recovery program.

Understandably enough, Mr. Hopkins has tried to minimize the issue. On the eve of the textile strike he declared that although the FERA has followed the policy of granting relief to needy strikers for fifteen months, only about $100,000 has been paid to strikers in that period; strikers do not apply, or do not qualify, for relief on any large scale. This is itself a significant and a dubious statement. Can anyone believe that $100,000 actually represents either the demand or the "qualified" need of the many thousands of workers who have been on strike during the past fifteen months? As a matter of fact, what has happened is that local relief administrators, either sympathetic with or coerced by local employers, have repeatedly used as a strike-breaking weapon their power to withhold relief or discriminate in giving it. In northern Alabama 23,000 textile workers have been on strike for nearly two months. They appeared at the recent convention of the United Textile Workers in New York laden with affidavits showing that in many localities the relief power was used against them. Similar complaints have arisen in almost every major strike that has occurred in recent months.

In the textile strike, as in many other recent conflicts, the workers will be striking chiefly to obtain the code wage which employers have directly or indirectly withheld, and to establish the collective-bargaining agreements which the Recovery Act explicitly provides for. Notoriously, Section 7-a has been enforced only where and when labor has been sufficiently powerful to compel its enforcement. Under these circumstances we do not believe that the federal government will dare or wish to use the relief power against striking workers.

Upton Sinclair's Victory

UPTON SINCLAIR'S victory is astounding. It bears him out in his early assurance of success and his insistence from the beginning that he sensed a ground swell of revolt against the present order. It is the more remarkable because of the widespread belief that the red scare following the general strike had so aroused California that there was a reaction against the radicalism of Mr. Sinclair. The vote shows, on the contrary, that the lawless officials of San Francisco, the big business men and their loyal servants the police of that city, distinctly over-reached themselves. Again, the supposed resentment of large numbers of Democrats against a Socialist coming over to their party and trying to walk off with its nomination was evidently not as widespread as had been supposed. Union labor certainly supported Sinclair overwhelmingly in his extraordinary run. No one but Sinclair himself and a few devotees believed last February that he had even a chance. He had no money and no means of raising large sums; he had no organization of his own; he had been overwhelmingly licked when he ran for Governor on the Socialist ticket. But for once a candidate interpreted the popular current correctly.

If ever a revolution was due, it was due in California.

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Nowhere else has the battle between labor and capital been so widespread and bitter, and the casualties so large; nowhere else has there been such a flagrant denial of the personal liberties guaranteed by the Bill of Rights; nowhere else has authority been so lawless and brazen; nowhere else has the brute force of capitalism been so openly used and displayed; nowhere else has labor been so oppressed; nowhere has there been a falser or more poisoned and poisoning press. It was time for some sign of rebellion. But the final victory is not yet won. We look to see the San Francisco and Los Angeles press strike hard in the effort to portray Sinclair as a dangerous bolshevik and anarchist; we look to see a union of all the conservative forces against him, plentifully supplied with money and controlling an overwhelming majority of the press. Yet somehow or other we feel that Upton Sinclair may win. Perhaps we underrate the forces against him. But his remarkable record shows that the political currents are running deep and strong in favor of a new deal in California. We look to see the seal of party regularity set on Mr. Sinclair even though it helps Republican efforts to portray the Roosevelt Administration as socialistic; Mark Sullivan and Henry P. Fletcher and Dr. Wirt and some of our other political jokes will not lose this opportunity to make the welkin ring with appeals to high heaven to save the Republic now. Already the Democrats are bolting in several quarters in California.

The drift of conservative Democrats to Governor Merriam, who has won the Republican nomination, is now open and—in the prints—impressive. It is to be welcomed. It is well to have a clear-cut line-up between conservatives and progressives, liberals and radicals. Perhaps this cleavage, like the formation of the American Liberty League, is another sign that the break-up of the old political parties is near at hand—it has already come in Wisconsin and Minnesota. It will make for political clarification and simplification and therefore for progress, since there can be no real progress as long as the conservatives dominate and own both of the historic parties.

Upton Sinclair's E. P. I. C. platform will, of course, bear the brunt of the attack, and good worshipers of the status quo, like the editors of the New York *Times,* are already consoling themselves with the thought that if this wild man is elected, he will be able to do nothing radical because he will have no control over the legislature. Not quite so fast, gentlemen! If Upton Sinclair sweeps the State, he will speak for the people with such force that even a California legislature will have to take some heed. We do not say that all of Mr. Sinclair's program is either wise or enforceable; we do not venture to prophesy how successful he who has never held an executive position would be as Chief Executive of California. That is for the future to show if and when he is elected. But we do give profound thanks that one man has had the courage to stand up and announce his candidacy without consulting any boss, or any newspaper proprietor, or any financier or capitalist, and has gained the first round. He has made multitudes think and will make still more. He has won them and will win others to his belief that the economic and political jungle we live in today is no more necessary and inevitable than were the foul horrors of that human cesspool of the stockyards which he—to his everlasting honor—revealed in his most famous book "The Jungle."

Nazi Women Speak Out

THE Nazis are supposed to be adept in the art of manipulating mass psychology. They have, however, made one serious mistake; they have apparently believed that the psychology of women didn't count. The Nazi appeal to men has been subtle and various. They have been offered the opportunity to sacrifice themselves for their country and for an ideal—always a coveted form of masochism. They have been offered at the same time a sense of power, of achievement, and of superiority—both sexually and racially; the "masculine protest" is written into their creed. They have been offered the satisfactions of comradeship in a common enterprise. Women on the other hand have been offered far less and they have received less than they were offered. Like the men they were invited to sacrifice themselves for their country, but they discovered very soon that their sacrifice was to be vicarious to a degree. Theirs not to march or to sing or to feel superior; theirs merely to minister to the heroes of the Great Awakening and to bear the heroes of the Third Reich's future triumphs. At first they acquiesced, expecting, in return for submission, at least a fair measure of honor and security.

That they have received instead humiliation both at home and in public life is the testimony of a number of prominent Nazi women. A recent *Bulletin* published by the American Committee of the International Relief Association contained excerpts from German women's magazines in which these views are expressed with astonishing courage and candor. For example, Frau Rogge-Börner, editor of *Die Deutsche Kämpferin,* writes in that publication:

> The younger generation of women . . . is beginning to feel uneasy. They are troubled by the fact that, carried away as they were by a deep-felt patriotism, they had encouraged a strange form of masculine delusion in making the National Socialists the absolute rulers of their destiny as well as masters over the fate of the entire German people . . . A really unbiased evaluation of women today shows that not only have they not taken one step forward, but many backward.

One quotation after another describes the subjection of women in all branches of public activity and the professions, even in those professions which have traditionally been under their control. And the same policy apparently applies even in domestic relations. Various articles quoted in the *Bulletin* express resentment at the degree to which Nazi activities have broken the unity of home life and drawn men away from their ordinary domestic responsibilities. Others, even more bitter, discuss the emotional results growing out of the Nazi ideal of masculine superiority. Dr. Leonore Kühn, writing in *Die Denkschrift,* says:

> . . . A young son, even the youngest, already laughs at his mother with "manly" superiority if she, rather than his father, attempts to exercise authority over him. Instinctively he recognizes his advantage from observing the subservience to which his mother has been reduced.

The opposition of Germany's leading women to the repressions of the Nazi regime may turn out to be quite as important as the other evidences of internal disillusion and rebellion that have recently been revealed.

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Issues and Men

The New Cuban Reciprocity Pact

THE Administration in general, and Secretary Hull in particular, are to be heartily congratulated upon the conclusion of the new reciprocal trade agreement with Cuba by which some tariffs have been reduced by more than 60 per cent. It is a long step forward, and even with Cuba in its present weakened position, with its purchasing power reduced perhaps lower than at any time since the Spanish occupation, it should have far-reaching social and economic effects in the island. Of course it does not go far enough for me. As I have repeatedly pointed out, it is utterly ridiculous that we should not include this republic, which we created and officially set up, within our own free-trade zone. The only thing that keeps us from doing it is the fact that the flag which flies over Morro is not our own. The island is literally within sight of our shores—if one goes up in an airplane from Miami. No one can maintain that our imports from Cuba would be large enough seriously to injure the welfare of the 125,000,000 Americans if the tariff barriers should be wholly removed. And if the Cuban flag should be hauled down and ours hoisted in its stead, no sane man would think of demanding a tariff.

None the less, we can be grateful that this new agreement, according to one of our foremost experts, will probably double Cuba's trade with us during the first year of its life. Dr. John Lee Coulter estimates that the island's exports to us will rise to $100,000,000 as against some $50,000,000 in 1932 and 1933. Since about four-fifths of this increase will be in sugar, some relief will be brought to the Cuban masses, many of whom are utterly destitute and subsisting under conditions which American workers could not endure. On the other side, Cuba has reduced the tariffs on textiles, rayon yarns and fabrics, wool articles, cotton fabrics, and especially on automobiles with a factory list price of less than $750, radios, typewriters, and industrial machinery generally, as well as on iron and steel bars, structural iron, plumbing, and miscellaneous manufactured articles. The benefit to the United States from this speaks for itself. Cuba's trade with us from 1922 to 1926 averaged $480,000,000; in 1929 it amounted to $336,300,000; while in 1932 and 1933 it had actually dropped, as stated, to $50,000,000. It should now go back at least to the 1929 figure, that is, within the next few years.

This move will also help our farmers tremendously, since there are to be substantial reductions in the Cuban tariffs on hog lard, corn, wheat, flour, pork products, potatoes, rice, fresh, dried, or evaporated fruit, animal foods, and canned meats. It is true that the head of one of the farm bureaus in Washington has hastened to warn our farmers that they must not expect too much from this, because Cuba has been growing more self-contained and has made some slight effort to diversify its crops. None the less, the opening up of this field is of profound significance because it is the right way and the only certain way to aid the American farmer—by getting back for him a foreign market. That beats all the horribly wasteful and really insane destruction of crops and limitation of output to which so good a man as Secretary Wallace has felt himself and the government driven by the dire necessity of the last year and a half—I still maintain that the Southern mules which refused to abandon their lifelong habits of walking between the cotton rows when called upon to plow the plants under had more sense than the AAA.

But this is not all the good news. It is announced that the next step is Haiti, which, having just said goodby to the departing American marines, is in the best possible frame of mind to sign a similar pact with us. Of course, Haiti is a one-crop country, dependent on coffee, and sorely in need of the development of the rest of its agriculture and its industry. Its total foreign trade in 1929 was only $33,962,000, of which we got less than one-third—in 1932 only $5,000,000—but if we could quadruple that $5,000,000 it would certainly be a help; we are not in a position to turn up our nose at anybody or any bit of foreign commerce. Already the State Department is working to begin similar negotiations with Brazil, Costa Rica, Guatemala, Ecuador, Honduras, Nicaragua, Panama, El Salvador, Venezuela, and the Dominican Republic, which together supply 95 per cent of this country's coffee imports. This is of course in accord with the policy announced by Secretary Hull at the notable meeting of the Pan-American Congress in Montevideo last December. It is the best kind of business for the United States, for these are our natural markets. They can be expanded indefinitely as prosperity returns in Central and South America. What is more, the President has dropped all tariff barriers on cattle feed because of the drought. I suppose the average farmer will feel that this will not help him. But it will; at least it will help the country at large because of the simple fundamental fact that we cannot import any feeds, or any other goods, without paying for them with products of the United States. How strange it is that we can only unfetter our industry or farmers when they are in dire distress! Thus by various steps we are moving toward the acceptance of one of the grave alternatives placed before the country by Secretary Wallace, who, it will be recalled, stated that we must either take 50,000,000 acres of farming land out of cultivation or change our tariff policy.

As A. A. Berle, Jr., pointed out recently in the New York *Times*, our tariff war has reached an impossible situation. "In a gigantic chess game in which the trade routes of the world were being reapportioned, the United States was left out of it; and whatever foreign trade she had was hindered, disadvantaged, or completely blocked by an ever-tightening net of individual preferential arrangement." Mr. Berle is absolutely correct in saying also that our tariff policy has been "historic rather than reasonable."

Oswald Garrison Villard

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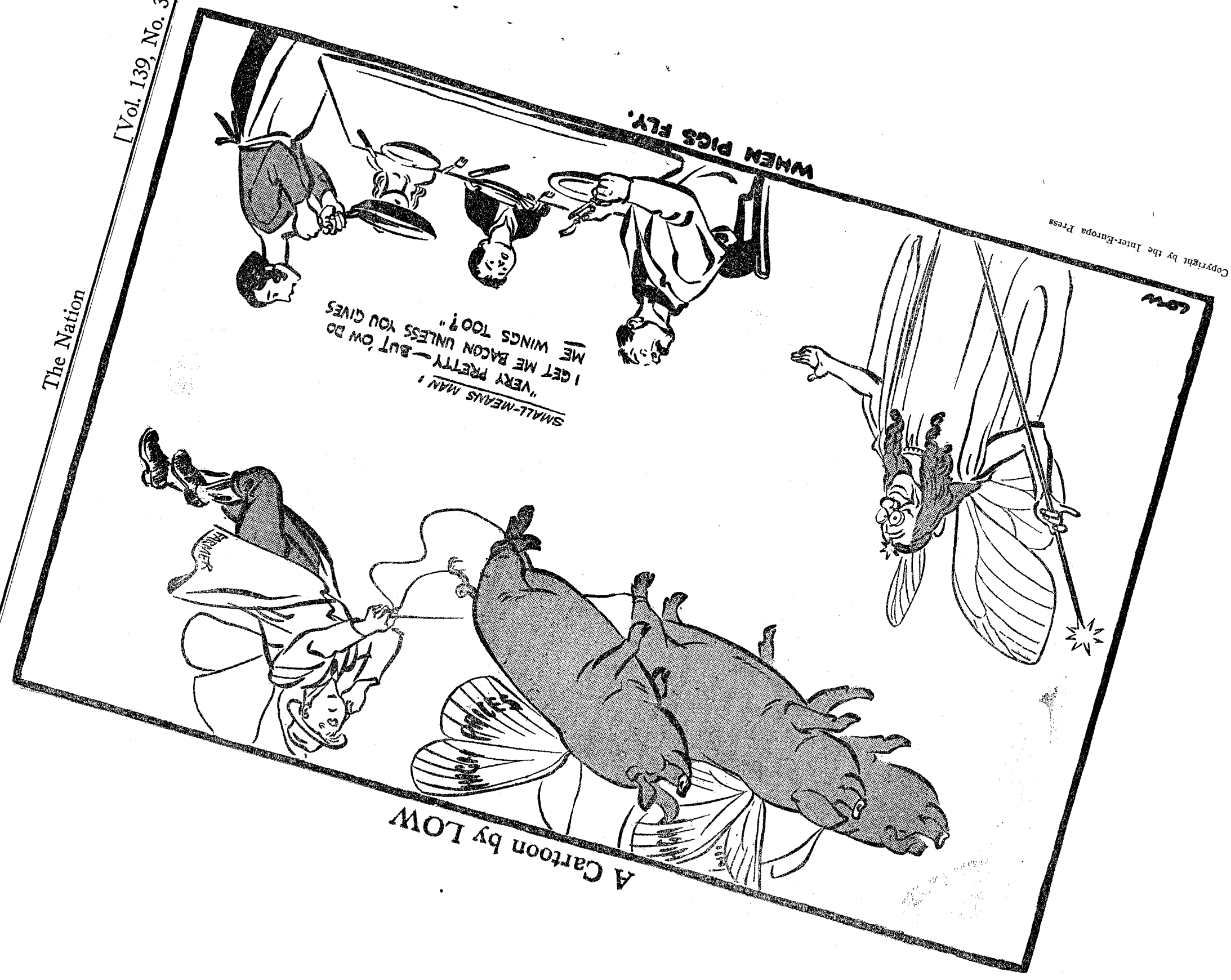

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The Strike of Capital

By RAYMOND GRAM SWING

Washington, September 1

THE overshadowing problem in America today is the strike of capital. It is by all odds the most formidable strike America has known since the Civil War, and surpasses in gravity the aggregate of all strikes of labor of recent years. It is not a deliberate and organized strike. But even if unconscious, it is the most effective strike which confronts the community and one which must be broken if American institutions are to survive.

By the strike of capital I mean the refusal of the owners of bank deposits to lend their money to private enterprise. The deposits are there. They have risen nearly 6 per cent since last March, and more than 14 per cent since a year ago June. They are only 17 per cent below the figure for June in the halcyon year of 1929. They are staggeringly large for a land suffering a depression as severely as America. The figure on June 30 of this year was $26,762,000,000 for the member banks of the Federal Reserve system. Since March these deposits have increased a billion and a half; since June of last year nearly three billions and a half.

This enormous accumulation of available credit in itself does not prove that capital is striking. Deposits might be another label for loans by banks, which have to be deposited until they are spent. If, while deposits were rising 14 per cent this past year, loans had correspondingly risen, it would demonstrate that recovery had begun. But the contrary is true. Deposits rose but loans actually fell.

The decline in the volume of these loans is the yardstick of the strike of capital. Since June, 1929, loans have declined 51.2 per cent, while bank deposits have declined only 17 per cent. Allowing for the decline in deposits, capital to the extent of eleven billion dollars is being withheld from normal use.

The strike of capital, in so far as it consists simply of a refusal to make loans, is not of recent origin, since loans have been steadily declining in volume ever since the depression set in. Capital has been on strike in all countries in the same way. But there is a peculiarity about the strike of American capital since June a year ago. For in that month bank deposits began to increase. Prudence might well account for the refusal of banks and individuals to invest while deposits were declining. But when deposits began to rise, prudence was being given a margin to work with. And this margin it rejected. It may not be strictly accurate to speak of a strike of capital in this country before June, 1933. But since that month the strike is incontestable. Indeed, the strike has been progressive in its intensity. Fewer loans were outstanding in June than in March despite the rapid rise of deposits. The decline in these three months was $183,000,000. And in the past year, when deposits rose nearly three and a half billions, the volume of loans actually fell $383,000,000. These are the figures only for the member banks of the Federal Reserve system, and do not show the full extent of the strike. On the other hand some allowance has to be made for the fact that many old loans are being repaid to the banks, thanks to the rescue work of the Administration in reopening frozen institutions. Banks have not stopped making loans altogether, but they are not making them as fast as they are being repaid. But this allowance does not modify the statement that capital is on strike, or reduce the yardstick figure of at least eleven billion dollars as the extent of that strike.

It may be objected that the use of loans to measure this strike is not accurate, since banks can use their funds to buy the securities of private enterprises. The objection would be well taken if banks were doing so. An immediate use of growing deposits to finance commercial and industrial corporations would simply be another way of making loans. But the banks have not been doing this. They are doing the reverse. They were holding fewer private securities on March 5 than they did in June of last year. The decline is large, amounting to more than a billion and a half dollars. In the same period, on the other hand, they vastly increased their holding in government securities, the amount being over three and a quarter billion dollars.

Here we have the picture in its simple terms. Capital is on strike, and refuses to finance private enterprise to anything like a normal extent. The government is stepping in to perform some of the normal functions of capital.

One clear way to present this fact is to show the portion of the national income derived from government sources. In 1929 all government, federal, State, and local, produced 7.8 per cent of the national income; today it is producing about 20 per cent. The state as a financial enterprise is carrying one-fifth of the country's business, as against one-thirteenth in normal times. True, the national income has fallen by nearly half—from eighty-three billions to around forty-five billions—and the amount of income produced by the government has not more than doubled in actual amount. But it has increased from about six and a half billion dollars in 1929 to over nine billion dollars today. That is to say that the government is putting two and a half billions a year into the national income which capital itself might be putting in if it were not for its eleven-billion-dollar strike.

Now the striking capitalist does not admit that he is a striker. He blames the Administration. If his money is idle it is because the government is competing with private business, and making it unprofitable for him to invest. The Guaranty Trust Company in its last monthly bulletin complains of the Tennessee Valley Authority, the AAA, the Federal Surplus Relief Corporation, the PWA, and other agencies as competing directly with private business. "There is a real danger," it warns, "that those powers will be perpetuated and extended until legitimate private business is buried under a mountain of bureaucracy. From the standpoint of business recovery, the conclusion is obvious. The revival for which the federal government is striving so arduously can come about only through individual initiative, and that initiative is being stifled, rather than being encouraged, by the restrictions and limitations that have been placed upon it, with the threat of further obstacles to come."

I have already shown a fall in loans during the past months and called this an intensification of the strike of capi-

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tal. What faces America is a process of which it is hardly aware, an unformulated conflict between capital and the state. The longer the conflict lasts, the harder it is to resolve. The more the state interferes in business—even if it is to take the place of striking capital—the more capital will go on strike. And the more capital goes on strike, the more the government will have to interfere. Unless the strike is broken, there seems to be one of two possible endings. The state becomes the fountain-head of business, and controls it either for social purposes, which is socialism, or to guarantee the profit system, which is fascism. It may be doubted whether any unconscious process, such as this conflict, will lead to socialism—which is not to be attained before the country is ready for it. But that the country as a whole wants the profit system retained goes without saying. The end of this growing tendency is much more certain to be fascism, and a titanic effort to save the crumbling economic structure by a state guaranty of business returns. If the state becomes interested in profits, it will be logical to outlaw strikes and to suppress any criticism which jeopardizes the state's actions. American fascism might differ in outward form from other fascisms, but its spiritual content would be the same.

Can the strike of capital be broken? Before trying to answer this question it is well to exonerate capitalists from *intending* their strike to bring on government interference or to lead to a gradual revolution toward fascism. Indeed, the striking capitalist would be annoyed even to find himself called a striker. Who is he? Just one of the numberless individuals with money in the bank who knows no safe place to invest it; or one of numberless business men who might be branching out if they thought it was going to be profitable to do so; or the executive of the large company who usually invests its funds but now holds them in cash. It may prove to be the tragedy of the American form of capitalism that these individuals are unable to realize that their individual actions add up to a whole for which they share individual responsibility. Individually many capitalists bristle at much in the New Deal, but fail to see that unless they cooperate with the Administration, the American business system cannot possibly be restored, even in a modified way. They do not recognize that it is their inability to cooperate which is forcing the Administration still farther along the way which they cry out against.

The striking capitalist will tell you it is not his fault that cooperation is impossible. But in the spring of 1933 the same program was not impossible. The New Deal was not considered revolutionary, and un-American; it entailed both reform and rehabilitation of the American business system. It was understood that certain fundamental changes had to be made: wealth was to be more equitably distributed, individuals were to have greater economic security, and the control of money was to be ordained with a deeper sense of trusteeship. The United States Chamber of Commerce mentioned the need for social insurance before the President ever used the phrase in a message to Congress. The NRA was much more the creation of big business interests than of American radicals. Hardly a week passed in those days without the utterance of some business leader in favor of a broader social philosophy. Cooperation a year ago was promised and intended; this summer there is the intensification of the strike of capital. What has happened to change things?

One explanation is repeated over and over again. Business men have lost confidence. They complain that they cannot look into the future and plan their affairs. They made the same complaint long before Roosevelt took office, but now they say they fear new unheralded schemes by the Administration, still further interfering with business. They live in an anguish of uncertainty. At the same time they rationalize their fears by pretending a faith in the very system which collapsed in 1929, and will tell you that if the President had not interfered at all, we should now be in the noontide of automatic recovery.

The demands of business come down to this—insistence on certainty. Business men must know that they can make profits. The state must not interfere. They ignore the fact that the essence of the American system of capitalism was its uncertainty, its lack of any guaranty of profits whatever, and that the factor of loss helped it to function as long as it did. They also ignore the fact that it was the Hoover Administration which began interfering with the operation of loss in the system, and much of their trouble may be due not to what they have lost but to what the rescue of capital by the government has saved them from losing. American investors have never lent their money in the certainty of profit but in the hope of it. And their hopes have been blasted as often as they have been sustained, if not oftener.

So what really holds back investment today is not the want of certainty but the want of hope, which is a problem of quite another character. It is a psychological problem. If the strike of capital is to be broken, it will only be by changing the attitude of investors. This may, of course, be impossible. When faith is lost, as obviously some of the faith of business men in the Administration has been, there may be no way to restore it, and the strike of capital may have to continue until it brings results which few business men ever dreamed of, much less desired.

But one contribution might be made which would go some way toward conciliating the minds of striking capitalists. Eighteen months have passed since the President took office. The time surely is near when the maximum program which he intends to carry through might be stated. If business has a legitimate complaint against the Administration it is that the President has never told them the worst. They are going to have to pay, but they don't know how much. No word of his has ever given them any idea that he has a maximum in mind. They do not know that he has any intention of writing a final figure on his blank check and presenting it at the bank.

But assuming that the President looks forward to a second term, he is known to have in mind enough reforms to pack every minute of his time until he relinquishes office in 1941. Redistribution of wealth is to come, one must assume, by two of the most efficacious methods known to man—a heavy tax on incomes, private and corporate, and genuine social insurances. Individual security is to come by economic planning, supplemented by the insurance system. Does the President believe he can do more in the next six and a half years? It took England a generation to adopt a social-insurance system, and brought the country to the brink of grave troubles in 1911. America knows little of social insurances, and the business men who lightly advocated them a year ago will be aghast when they find out how heavy the bill will be, added to the burdens of the NRA. Six and a half years

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will be a short time in which to educate the country to support a genuine insurance policy and force it through Congress. The system of heavy income taxes will arouse still more bitter opposition. And these two together, in addition to the good features of the NRA and the Securities Act, are enough to signalize any two Presidential terms. They would be the greatest program of social reform ever achieved by an American President.

This much certainty the President might give American business, the certainty of what it is he proposes to do for the remainder of his time in office and the certainty of how much it is going to cost. And in giving this he might include certainty on monetary matters without weakening his reform program in the slightest. Last summer's escapade with the commodity dollar has not had fatal consequences, but it has not been worth the loss of confidence it cost the President. Whether the price level is to be controlled by varying the gold content of the dollar a fractional amount or by changing the discount rate a similar fractional amount may not matter much, but it matters a great deal to people who do not understand these things. And one of the easiest ways for the President to recapture faith is to admit he is through with such details. Recovery and reform alike lie in the increase of consuming power, which neither the variation of gold in the dollar nor inflation can help to create permanently.

Certainty over the extent of the New Deal, over its ultimate cost, and over the President's monetary reliability would give business a basis on which to plan and figure. Self-interest is the final denominator in business. The strike of capital will only be broken if the capitalist sees where his strike is taking him, and can estimate that the New Deal with all its cost is a better way for him to go.

How Stable Is Recovery?

By MAXWELL S. STEWART

AT first sight the statement issued by Donald R. Richberg listing the gains achieved by the national recovery program is impressive. The facts, so far as they go, are accurate and fairly representative. Approximately four million more persons were employed in June of this year than had jobs in March, 1933. Total pay rolls in the manufacturing industries were 37½ per cent higher than in June, 1933, as against an increase of 9.6 per cent in the cost of living. Business failures have registered a sharp decline, while the index of corporation profits has risen from a deficit of 6.9 in the first quarter of 1933 to a profit of 32.2 in the second quarter of the present year.

That the United States has enjoyed a substantial measure of recovery is indisputable. Mr. Richberg's statistics could be supplemented by others scarcely less encouraging. Industrial production in the first six months of 1934 averaged nearly 18 per cent higher than in the corresponding period of 1933. Farm income has risen by one-fifth, despite reduced production. Our export trade jumped no less than 47 per cent—in terms of dollars—during the first seven months of 1934. Taken in the aggregate, these statistics would seem to indicate not only a return of better times, but that the improvement was fairly well distributed throughout the national economy.

But instinctively most of us recognize that there is something drastically wrong with these figures. While we realize that there has been a certain degree of improvement, we know from personal experience and that of acquaintances that the recovery is by no means as great or as general as is claimed. What, then, is the catch? Is the Roosevelt Administration, like its predecessor, guilty of juggling figures for political purposes?

It is interesting that Mr. Richberg should have chosen June as a basis for comparison instead of July, in view of the fact that the figures for the latter month were released on the same day as his statistics. Yet in some respects July would seem to be more suitable, since it represents a more advanced stage in the recovery program, and—taking business as a whole—was really the last of the pre-NRA months in 1933. It so happens, however, that the July comparison is considerably less favorable than that of June. The Federal Reserve Board's index of industrial activity, for example, was 23 per cent lower than that of a year ago. Weekly car loadings were from 5 to 10 per cent below those of last year; residential building was more than 30 per cent under that of July, 1933. The first fifty-eight railroads to report showed a 5 per cent decline in gross operating revenue and a 44 per cent drop in net income. Owing to shorter hours under the NRA codes, employment has held up much better than production, though it showed a decrease of approximately 5 per cent since May, and was below the level of last September. Even farm income, despite high food prices, was 6 per cent lower than in July, 1933.

Judging by such indices as are available, the recession which started in May continued through August. At the close of the latter month the steel industry was operating at 19 per cent of capacity, the lowest mark for well over a year, while car loadings were likewise at their lowest ebb. It is safe to hazard a guess, therefore, that Labor Day found business conditions as a whole at a point as low as, or somewhat lower than, last year at the same period, which is small comfort for the National Recovery Administration.

It is significant to note in passing, moreover, that even at the peak of production last spring American recovery was less than that of a number of foreign countries whose domestic policies differ widely from those of the United States. Three of these—Great Britain, Sweden, and Japan—have surpassed the 1928 level of production, while Germany, France, and Canada are all well in advance of this country.

This fact alone, apart from the recent setback in business activity, is sufficient to raise substantial doubts regarding the stability of the entire recovery movement. The theory underlying the Administration's program was that once the upward swing of the business cycle had been started by "priming the pump," the process would become virtually automatic. Devaluation of the dollar, the restriction of crops, and the increase of wages under the codes were all justified on this assumption. Having rather thoroughly exhausted the

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resources for "pump priming," however, during the past eighteen months, it is perhaps fair to ask whether, after all, this is the technique by which business revival can be achieved, or whether by tinkering with the mechanism we have delayed the natural flow of recovery.

The question is a delicate one. In many respects the national economic structure presents a more balanced picture today than was the case a year and a half ago. Although farm prices are still far short of the hypothetical 1909-14 purchasing-power parity, there has been a certain amount of progress in this direction. Wholesale prices have increased more rapidly than retail prices, while the depreciation of the dollar has lessened, to a certain extent, the real burden of indebtedness. Wage-earners of the lowest category have probably enjoyed a more substantial rise in income than those in the higher brackets, and the prevailing income has been somewhat more widely distributed.

On the other hand, there are many features of the recovery process which appear to be basically unsound. The first of these—excessive governmental expenditures—need scarcely be elaborated. The majority of economists are agreed that a large outlay for public works as an emergency measure is both defensible and necessary. But if the expenditures are too small to stimulate recovery, and yet large enough to obstruct the normal channels of finance, they might conceivably lead to a collapse of government credit. A day of reckoning is inevitable, and unless the money expended brings improved conditions, and thereby increased revenues, serious difficulties are bound to occur.

Much more disturbing, however, is the evidence that great numbers of the population have not only failed to profit by the economic upturn but have actually lost ground during the past year. The chief beneficiaries of the NRA, oddly enough, appear to have been the business men. As evidence of this Mr. Richberg pointed out that business failures from February to May of this year were actually 40 per cent fewer than in the corresponding period of 1929! Big business especially seems to have reaped a harvest under the New Deal. Net profits of 506 corporations rose from $157,579,000 in the first half of 1933 to $408,572,000 in the first six months of 1934, an increase of 260 per cent! The National City Bank estimates the average annual rate of return of 250 companies having a net worth of $9,724,000,000 to have been 5.7 per cent in the first half of 1934 as against 1.7 per cent in 1933.

Other sections of the population have also enjoyed a rise in money income, though on a much more moderate scale. An increase in dollar income does not, however, necessarily indicate improved economic conditions. The true position of any group can only be measured by real wages and comparative living standards, taking into consideration cultural and recreational opportunities as well as the essentials of livelihood. Here, unfortunately, data are extremely meager and frequently conflicting. Mr. Richberg claimed, on the basis of increased weekly pay rolls, that despite increased living costs "there remained a net increase of 25 per cent in the total purchasing power of manufacturing wage-earners." Adjusting this figure for the rise in employment, he admitted that per capita income had failed to keep pace with the advance in living costs. Taking into consideration the 6 per cent fall in factory pay rolls in July and the additional rise in food prices, it appears that the real income of industrial workers for July was at least 8 per cent lower than a year ago—truly an appalling state of affairs. Yet industrial wage-earners have been in a favored position under the NRA as compared with office workers and white-collar employees. Unemployment among the latter groups has undergone a much smaller decline than among factory workers, and wage increases have been fewer in number. We know definitely from Mr. Richberg's statistics that the total labor income in June was 62.5 per cent of the entire national income, which is a 3 per cent smaller share than labor obtained in any year of the Hoover Administration. The growth in the number of families on relief indicates, moreover, a continued deterioration of conditions in the lowest stratum of society—now numbering one-sixth of the entire population. Taking these various factors into consideration, one is forced to conclude that the purchasing power of the urban population has failed to keep step with rising prices.

This hypothesis is confirmed by the evidence of lower consumption throughout the country, particularly in the large cities. Over the nation as a whole department-store sales in July were only 72 per cent of the 1923-25 average in dollar volume, 3 per cent above July, 1933. Since retail prices, as measured by the Fairchild index, rose approximately 22 per cent in the past year, it is evident that the volume of purchases was actually only about 84 per cent as great as in 1933. Nor is this merely a symptom of the present recession in business. The physical volume of department-store sales for the seventeen months ending in July was below that of the corresponding months of 1932-33. For foodstuffs the picture is much the same. The turnover of groceries was less in June of this year than in the corresponding month of 1933, while chain-store sales for July were unchanged in dollar volume from a year ago in spite of increased prices.

Additional evidence of the reduction in living standards is to be found in the cultural field. Although shorter working hours and the elimination of child labor have brought an increased demand for cultural opportunities, public expenditures for education and recreation have continued to decline. In rural districts some 2,000 schools have closed their doors, while in 18,000 other schools a total of 900,000 children received less than six months' schooling during the year just past. Despite an increase in school enrolment, 40,000 fewer teachers were employed in 1933-34 than in the previous year. Libraries have frequently suffered even more severely. Although attendance has shown a marked rise in recent years, the appropriation for books in eighty-two of the largest cities in the country has been cut by over a third.

Thus, added to the paradox of want in the midst of plenty, we have that of declining living standards in a period of economic upturn. The latter becomes somewhat less paradoxical, however, when we realize that real wealth must be measured in terms of physical production rather than dollars. Viewed from this angle it was practically inevitable that the Administration's agricultural program, together with the effects of the drought, should lead to a decline in food consumption. This is, of course, particularly true of a perishable commodity such as milk, the production of which, according to the Department of Agriculture, has been reduced between 5 and 6 per cent during the past year. Similarly, the losses in the drought region of the Middle West are irreparable. By taking care of the stricken farmers we can shift the burden of the loss to society as a whole, but we

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cannot restore the lost grain or vanished buying power. As a matter of fact the shrinkage of production is greater than is usually realized. The wheat crop of 484,000,000 bushels is the lowest since 1893, while unusually small crops of corn, rye, and cotton are also expected. Owing to the shortage of feed the number of hogs raised this year will be 30 per cent smaller than last year, and there will be a serious shortage of meat, eggs, and poultry.

Perhaps the most substantial ground for questioning the stability of American recovery, however, is the fact that it has not been accompanied by a corresponding improvement in international trade. True, there has been a considerable rise in the dollar value of American foreign commerce, but this has largely been a reflection of higher dollar prices. Measured in terms of gold—which still remains the international unit of value—the decline has continued unchecked since 1929. Tonnage or quantum figures show a slight increase, but much of this was due to speculative purchases of raw materials during periods of uncertainty regarding the fate of the dollar. And while there has been some rise in exports as a result of a cheaper dollar, the improvement has been much less than was expected.

Recovery in the United States, therefore, as in most other countries, has been almost entirely dependent on domestic forces. Primary among these has been the need for replenishment of stocks and the replacement of capital goods which had been neglected during the early years of the depression. Fear of inflation has probably stimulated this process to a considerable degree, but it is doubtful whether this bogy could be used again with the same effectiveness. Increased federal expenditures have also contributed to the upturn, although these have been partially offset by the various economy moves of local and national governments.

According to Hobson and certain others of the more radical economists, the root of instability in the present economic system lies in the tendency for capital accumulation to outrun investment. This surplus was disposed of in the years prior to the depression by large-scale foreign investments. But with the breakdown of the international financial structure—due largely to the anachronistic commercial policy of the United States—foreign investments have practically ceased. As a result there has been not only a catastrophic decline in our export trade, which in itself has serious deflationary effects, but an addition to the accumulation of idle capital which represents "frozen" purchasing power. Depreciation of the dollar tended to alleviate this situation temporarily by throwing our export products on the world market at bargain prices; as well as by protecting the domestic market, also temporarily, against the deflationary influences still operative throughout the world. But it did so at the expense of international recovery, and through the reduction of living standards in the United States. Meanwhile, by stimulating business profits the New Deal appears to have intensified the maldistribution of wealth as between profits and wages, and thereby aggravated the fundamental cause of instability.

The truth is that under the profit system only one road to recovery has been charted. That is through the reestablishment of a functioning international economic system, which implies a reduction of trade barriers, the stabilization of currencies, and the resumption of foreign lending—the program laid down in the agenda for the World Economic Conference. Whether this type of program can be reconciled with the present apparently irresistible trend toward planning and control is as yet an open question. It does, however, appear to conflict at several points with the postulates of the national recovery program.

[*In next week's issue Mr. Stewart will compare the economic upturn in the United States with that in various foreign countries and discuss the relationship between the Administration's domestic policy and the problem of world recovery.*]

Labor Militancy Spreads in India

By V. K. KRISHNA MENON

ON May Day in Delhi 150 persons were injured in riots. This incident is typical of a growing restiveness on the part of Indian labor against the organized might of the British Raj. In India, when the police have beaten up an unarmed and unresisting crowd with five-foot *lathis,* the incident is officially described as a "clash" between "rioters" and the forces of law and order. In all the principal industrial centers of India labor gatherings are prohibited by the authorities, especially before and during a dispute. The police disperse processions and demonstrations by force, and the leaders of the working people are either threatened with imprisonment or actually arrested. Armed forces are brought in from outside to quell the "riots."

Bombay was the principal center of the recent conflict. The cotton-mill owners cut wages by about 12½ per cent. The operatives refused to acquiesce in this, and in less than a week 70,000 of them were out on strike. Almost all the mills closed; a few continued to run with blackleg labor, recruited and worked under armed police escort and protection. In Delhi 7,000 textile operatives went out on strike in sympathy with their fellow-workers in Bombay. The mills in Delhi closed voluntarily. The "riots" and the injuries to the 150 workingmen were the result of police interference with the strikers and attempts to disperse them by force.

Strikers' demonstrations in Bombay were dispersed by repeated *lathi* charges. Those who offered passive resistance were beaten until they moved on or were dragged out by the police. Armed police reinforcements were drafted into the city from the suburbs. Labor leaders were arrested. Miss Mani Ben Kara, the first to be taken away, is one of the ablest of Bombay's labor organizers. Her influence on the textile workers in that city has been one of the healthiest factors in the development of the labor movement there in recent times. In 1932 the government prosecuted her for a May Day speech on the ground that it "created disaffection between different classes of His Majesty's subjects." She was acquitted by an Indian High Court judge.

The Governor of Bombay issued a statement in which

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he referred to "grave dangers of disorder" as a result of the speeches and activities of the strikers and their leaders. The government, the statement added, has therefore resorted to emergency powers, but "desires to make it clear that no restriction has been placed on the functioning of trade unions." Apparently the official mind does not regard the arrest of leaders, the dispersal and prohibition of labor gatherings and demonstrations, as interference with the "functioning" of trade unions. Nor does it consider the government's use of its forces to protect blackleg labor for the employers anything more than a legitimate function of government.

Bombay and Delhi are not isolated instances. A few weeks ago it was Sholapur and Calcutta. At Sholapur a number of cotton operatives went out on strike as a result of a 12½ per cent cut in wages. The employers locked out the remainder. Altogether about 14,000 men were out. The district magistrate immediately prohibited all meetings, demonstrations, and processions, and served orders on labor leaders ordering them not to address or attend such meetings. The penalty for disobedience was imprisonment with hard labor and heavy fines.

The Government of Bombay also announced a "fact-finding inquiry" which will submit a report to the government. In the interval, emergency powers and the *lathi* and bayonet maintain "law and order," and armed police lorries and police pickets escort and protect blackleg labor. The thousands of men and women who walked out to prevent a cut in their already miserably low wages will be forced back by starvation or be thrown on the scrap heap. The fact-finding inquiry has thus been used as a pretext for strike-breaking. Has not the Government of Bombay already enough facts at its disposal to keep it busy with labor legislation and remedial measures for the next quarter of a century? The Royal Commission on Labor, over which ex-Speaker Mr. Whitley presided, produced volumes of facts and more than 360 recommendations. Here are some of the commission's facts. Referring to life in the industrial areas, it reported:

> Thirty-three per cent of the population live in rooms occupied by more than five persons at a time and 1 per cent in rooms occupied by more than twenty persons at a time. The number of persons living in rooms containing from six to nine persons is 256,379, and the number of persons living in rooms occupied by from ten to nineteen persons is 80,133.

The average daily wage in the textile industry in Bombay is about 50 cents a day for men and 25 cents a day for women; at Sholapur it is about 32 cents a day for men and 14 cents a day for women. In Cawnpore skilled mill workers are paid about 38 cents a day while the less skilled receive from 10 to 12 cents a day. The figures I have given are semi-official and represent mathematical averages. The realities are much grimmer; the bulk of the workingmen receive considerably less. Pay day sees the agents of the money-lenders armed with sticks at the gates of the mills to collect their interest or part of it. From his miserable wages the worker has to meet the demands of the money-lender, the bribes to the jobbers inside the mills, and the rent for his tenement. There is not much left to feed himself and his numerous dependents. These wages the Bombay, Sholapur, and other mill-owners are attempting to cut, and it is against the wage cuts that the men are striking.

Are these not enough of facts? If the strikes and speeches of strikers are threatening the peace of the city, is not the attack on the wages of semi-starved men also a threat to the peace of the community? The governments in India have power under the Indian Trade Disputes Act, bad measure though it is, to appoint boards of arbitration and conciliation when a trade dispute occurs, but this provision has very rarely been used by any of the local governments in India, and is now practically a dead letter. Instead of throwon the employer the onus of proving his case and of meeting the arguments of the workers at these arbitration courts, the authorities turn against the oppressed and ill-paid workers the full might and rigor of the Raj. I have no illusions about the composition and the procedure of such arbitration tribunals, and the workers' slender chances of obtaining justice from them, but they are infinitely preferable to the *lathi,* the bayonet, and the rifle.

In India today government and district officials have the power to suppress all meetings, to deny the right of assembly, to prohibit speeches, to arrest leaders, to search premises, to confiscate funds, to stifle and gag comment in the press, to prohibit movements of individuals and to suppress organizations by executive orders. Against these there is no remedy in the courts nor any hope of redress by the legislatures. Official information about labor movements is gathered through the agency of the police instead of from workers' organizations, a fact to which the Royal Commission draws pointed attention.

Against these odds the masses of the Indian people are beginning to fight back. For fourteen years now Indian insurgence has allowed itself to be harnessed to Gandhian pacifism and the politics of loving one's enemy. The personality of the Mahatma transformed the life of India. It made the masses significant. It imposed discipline on the young. For a time it embarrassed the government beyond expectations. But against the armed might and the economic power of the empire it availed little in the way of successful resistance. Against the *lathi,* the folded hands of Indian men and women were hardly a shield.

Gandhi's passive-resistance armies are now broken—perhaps only for the moment, perhaps never again to be mobilized. But from the villages of India, where demonstrations and meetings are no longer permitted, there are emerging, quite spontaneously, organizations of peasant workers who are not troubled about metaphysics but are stirred by the reality of hunger and want. In the cities the movement is even stronger. The names of the young men and women who are the vanguard of this revolution are unknown; perhaps the majority of them will not survive the horrors of imprisonment in the dungeons which are India's jails. But they are a portent. They mark the end of the old order. Against the force of an exploiting government the finesse of the Oriental and his natural horror of physical violence are pathetic and out of date. He must fight or perish, so say these young men. The proletariat of India is responding to an unexpected degree. The government acknowledges the new menace. Its answer was the imprisonment of Jawaharlal Nehru, when all the civil-disobedience prisoners were being released. Nehru is a "seditionist." So are all these young men. Thus Indian nationalism enters its newer phase, and the Empire of Britain launches its war on the Indian worker with ruthless force.

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The Shipping Conspiracy

By WILLIAM ADAMS

II

IN our national history there have been four periods in which our shipowners in overseas trade have been subsidized through the Post Office Department. The first began in 1848 and ended ten years later. It cost the government $14,400,000 and accomplished little toward building up our merchant marine. The second was from 1865 to 1874. It ended with a sorry explosion when the country discovered that the line receiving the largest subsidy had obtained it by a million-dollar bribe. The third period opened in 1891 and continued for thirty-seven years. Its existence is hardly worth notice. Mail compensation was provided at such low rates that only a few shipowners took advantage of it. The fourth period began in 1928 with the passage of the Jones-White Act.

The number of mail contracts awarded under the Jones-White Act was forty-four, calling for an annual payment by the Post Office Department to the subsidized lines of more than $27,500,000—about ten times what the department would pay for the carriage of foreign mail on a poundage basis. The nation was assured that its interest would govern the administration of the act. The only lines to be subsidized were those operating overseas, under our flag, upon routes essential to our foreign trade. Subsidies would be given to only one line in a trade; they would not be given to lines that did not need them; and in no case would they be larger than it was necessary to make them to equalize operating costs between a line and its foreign competitors.

We have no room here to examine all the forty-four contracts. But let us see to what extent the foregoing promises were respected. The Jones-White Act was, the public thought, aimed at foreign shipping. Nevertheless, companies that owned or had under charter foreign vessels, some of them competing directly with American-flag ships, received mail contracts. The chief among these with the number of foreign ships they controlled were: Munson, 67; United Fruit, 52; International Mercantile Marine, 60. It was clearly stated in the act that mail contracts were to be given to lines operating overseas. This hardly required statement; mail between different parts of the nation is transported by land. Nevertheless, Panama Pacific, a subsidiary of the International Mercantile Marine, running intercoastal, in competition with no foreign lines, was awarded a "mail contract" that brings it $418,496 annually. To conform to the letter of the act it is supposed to be carrying mail to Balboa. It was assumed that there would be no necessity for subsidizing more than one line in a trade. Nevertheless, the Panama Mail Line, running intercoastal alongside Panama Pacific, was given a subsidy of $795,360, ostensibly for carrying mail to Puerto Colombia. There is, of course, no more justification for subsidizing lines that operate in the protected intercoastal trade than there would be for making an annual gift of $500,000 to a railroad company for maintaining service between Chicago and New York.

Perhaps, as the shipowners claim, too much has been made of the fact that the subsidized lines carry little mail. Much more important is the fact that most of them carry little cargo. The subsidies were to be given to lines essential to our foreign trade. The Gulf–West Mediterranean Line in 1931 transported only 172,267 tons of cargo. Its subsidy was $416,575. In short, for every ton it carried, on a short haul, the government gave it $2.42. In the same year the Tacoma-Oriental Line carried 152,971 tons of cargo and received a subsidy of $347,649. Of the total cargo movement between Puget Sound and the Orient it carried only 7 per cent. Foreign lines carried 54 per cent. The American Mail Line, which received a subsidy of $1,070,784, carried 39 per cent. It is plain that the Tacoma-Oriental Line is not performing a necessary service; the American Mail Line is sufficient for this route. Why does the government feel obliged to subsidize and keep in operation both lines? The question is unanswerable—unless an answer may be found in the fact that both of the lines are owned by the Dollar Company, to whom two subsidies are, of course, more welcome than one.

The size of the subsidy, it is evident, has no relation to the business a line does. In this same year the Baltimore Mail Line was formed with five sixteen-knot vessels to run between Chesapeake ports and Germany—a route on which the cargo movement, exclusive of oil and grain, which are tanker and tramp cargoes, amounted to about 40,000 tons annually. It was given a subsidy calling for $12,720,240 in ten years—a sum greater than the cost of its fleet, purchased from the government, and its $3,000,000 capitalization, added together.

One of the companies subsidized is United Fruit, and a subsidy to this line violates every promise or principle that was supposed, before its passage, to control the administration of the Jones-White Act. The United Fruit Company operates considerable tonnage. In 1930, according to one of its officers, it owned thirty-nine vessels—twenty-five American, six Panamanian, five English, and three Honduran. To these should be added the large fleet under the English flag that is operated by its wholly-owned subsidiary, Elder and Fyffes. At the same time it had under charter forty-nine ships—twenty-eight of them Norwegian, thirteen Honduran. Concerning the magnitude of the company's business, this much is sufficient here: in the Caribbean, besides banana plantations, railroads, and the major radio network of the tropics, it owns and operates hotels, hospitals, restaurants, and more than 200 general stores, employing in all more than 50,000 people. A fleet of ships is absolutely necessary to an industrial empire of this extent. Prior to 1928 United Fruit had always had its ships built abroad. But when the Jones-White Act was passed, it suddenly developed a patriotic desire to ally itself with the American merchant marine. The result was that in 1930 the government lent it $15,167,500 to construct six ships in American yards, and at the same time gave it three mail contracts for ten years which will amount to about $17,000,000.

The United Fruit ships cannot be called anything but industrial carriers. Their inbound cargoes consist of almost

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nothing but their own bananas. Outbound they carry company supplies and equipment, everything that is needed to maintain the various enterprises listed above. Some of them carry passengers—who will stay in the Caribbean in the company's hotels, and many of whom are, in fact, the company's own officers and employees. It is true that, outbound, they also carry considerable non-proprietary cargo. Naturally, they prefer not to sail with empty holds. The company is making a constant effort to lower the cost of banana transportation. To that end it seeks non-company cargo for the outbound voyage. But United Fruit cannot on this account be called a steamship company. It is a fruit company, and, economically, its ships belong in the same category as the wagons that a bakery company employs to deliver its own bread.

Turning from individual subsidies, let us look at certain features common to them all. In almost every case the mail contract was only one section of a larger contract. The purchase of ships from the government with which to begin operation, the award of the mail contract, and a government loan to enable the company to build the new tonnage required under the contract—these three agreements between the lines and the government were executed concurrently. The mail contract regulated the type of service the shipowner was to provide. It specified the minimum speed at which he was to run his vessels, the minimum number of sailings they were to make annually, and the ports at which they were to call.

One great defect of these several agreements is that they do not run for the same length of time. The mail contracts are for ten years, but the construction loans are to be repaid in fifteen, or in most cases twenty, years. For example, the Baltimore Mail Line received a mail contract that promised it $12,720,240 in ten years. At the same time the government sold it five ships for $30,000 apiece and lent it $6,520,706 for twenty years at 3 per cent to recondition them. This was three-quarters of what the reconditioning would cost. When the mail contract expires, the government will still have a 37½ per cent interest in these ships. Should it refuse to renew the mail contract, the line could surrender the ships and retire from operation with a profit of more than $7,000,000 from its agreements with the government. The government is, therefore, practically forced, so long as it will not operate the ships itself, to renew the present mail contracts at their expiration.

From the description of the contracts given above it is clear that the government is interested only in liner services. It seems to assume that by establishing a number of steamship lines with regular, fast, and frequent sailings, it will automatically make America a maritime Power. Perhaps this assumption is a natural one for a government whose transportation problems have for half a century been domestic and continental, but it is an error great enough to prevent our subsidized shipping from ever operating profitably. This nation does not need, it cannot possibly support, forty-four overseas lines.

Among our subsidized lines eight operate out of Gulf ports, which offer only two considerable export commodities—wheat and cotton. Both of them are bulk cargoes which must be moved cheaply and which tramp shipping alone can carry profitably. Moreover, both are seasonal cargoes. They reach port in great quantity right after their harvest and require just enough shipping at a certain period of the year to send them abroad, not regular, year-round liner service.

While speed is becoming more and more a desideratum in transportation, cost is always more important. The great volume of modern international trade has been made possible not by rapid transportation or by cheap production, but by cheap transportation. The great volume of international commerce is made up of cargoes that are carried in bulk and must be transported cheaply. Moreover, most of these bulk cargoes are seasonal. A line offering regular service is very liable to be made bankrupt by the irregularity of nature. Tramp shipping takes advantage of this irregularity. In a larger sense, no shipping is so regular. Making full use of the fact that a ship at sea can go anywhere, it flows always to those ports where shipping is most needed. And because of the progression of the seasons and their alternation between the Northern and Southern Hemispheres, it is employed the year round. Our regular lines are unable to benefit from shipping's greatest advantage—its fluidity. The foregoing criticism applies, of course, only to cargo liners, not to passenger vessels which carry no cargo and cannot operate otherwise than on strict schedules. There is, however, no justification, except the specious one of national defense, for subsidizing passenger liners.

The truth is that subsidies don't work. We have referred already to the fact that no correlation exists between the percentage of our commerce carried in American-flag ships and either the size of our foreign commerce or our national wealth—unless the fact that the last two have been steadily shrinking since the passage of the Jones-White Act establishes a correlation. Moreover, the percentage of the world's commerce carried in American ships has not increased since the passage of the act, and the percentage of our own export commerce carried in American-flag ships has shown little change. You may subsidize shipping, but you cannot, especially when you are a creditor nation, take from your foreign customers the right to have the goods they buy carried in ships under their own flag. Facts of this nature are unalterable. The government may continue to subsidize overseas shipping at the rate of a billion dollars every generation until doomsday, but the industry will never win to independence or economic stability on its present scale.

It is inconceivable that the shipowners, a few men without capital of their own, have been able since the war to induce the government to give them millions of dollars, in return for the most dubious services, solely by their own efforts. They have, of course, powerful allies. These come not from sections of the nation devoted to or dependent on foreign trade, but from those which profit directly or indirectly from shipping itself. Among them are the railroads, which have a financial interest in many of the lines, the political and financial interests in our seaports, the navy, and above all the shipbuilders.

The Jones-White Act authorized the creation of a $250,000,000 revolving loan fund from which shipowners might borrow 75 per cent of the construction cost of the ships they were obliged to build under their mail contracts, at low interest rates—inconceivably low, in fact. To build the President Hoover and the President Coolidge the Dollar Line borrowed $10,575,000. Interest on the loan for the Hoover was ¼ of 1 per cent; on that for the Coolidge, 1 per cent. These two loans will cost the government, or the nation, about $3,500,000; they are subsidy number three to the Dollar Lines. So

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far $150,000,000 of this fund has been lent. Contracts worth $200,000,000 have therefore gone to the shipbuilders.

Reference has already been made to the pre-war monopoly given to the shipbuilders through the seclusion of American registry and the reservation of the coastal trade to ships built in American yards. These conditions did not, however, prevent an American from purchasing a ship abroad and operating it in our foreign trade under a foreign flag. The effect of our present subsidy system has been to extend the shipbuilders' monopoly to our overseas shipping.

Inquiries in this country into big-navy propaganda have revealed that it is chiefly inspired by three shipbuilding companies—New York, Newport News, and Bethlehem, the major firms engaged in the private building of American warships. These same three companies have built almost every one of the merchant ships financed by the government since the passage of the Jones-White Act. They inspire a large part of the agitation for a bigger merchant marine.

[*This is the concluding section of Mr. Adams's article. Part I appeared in last week's issue.*]

The Socialist Student Congress

By JOSEPH P. LASH

Liége, August 16

SINCE its last congress, which was held in Vienna in 1931, the International Socialist Student Federation, like its parent International, has suffered severe blows. Two of its most powerful sections, the German and the Austrian, have been suppressed. In Germany the whole national executive committee, meeting in emergency session directly after the 1933 elections, was denounced to the Nazis by a "comrade," and all the members are in concentration camps. All that remains of the once powerful German student organizations are a few scattered émigrés studying at the universities of Belgium and France and a few isolated students in Germany who have imperiled their freedom by sending information to the secretariat of the I. S. S. F.

The report from Austria was different. While the old Social Democratic student organization has disappeared, another has already been organized. Working illegally, it has only some three hundred members, but it has a newspaper, the *Rote Vorhut,* and a policy, and is feverishly active. The clerical dictatorship, the delegate from Vienna reported, has little popular support, and therefore the danger of being denounced to the government is less than in Germany.

The disappearance of these two most powerful sections of the I. S. S. F., who with the Hollanders, the Czecho-Slovakians, and the Scandinavians formed the conservative bloc in the International, shifted the balance of power to the French, the Belgians, and the newly affiliated Student League for Industrial Democracy of the United States, in the sense that their more aggressive and left-wing point of view was reflected in the resolutions of the congress. There were also delegates from Socialist student organizations in Denmark, Sweden, Esthonia, Algeria, Switzerland, England, and Jugoslavia.

One great issue has always divided the Student International—the question of cooperating with and working in the bourgeois student organizations. In every country of Europe there is one student organization which deals with the faculty and the government on behalf of the student body. It is the equivalent of our N. S. F. A. and claims to represent the collective interests of all the students in the universities. The German Socialist student organizations, believing that a majority could be won for the I. S. S. F. in these governing groups, were willing to make all sorts of compromises to maintain their contact with the bourgeois student groups and sustain their prestige with the student body. The Liége congress this year, with no opposition, laid down the policy that under no conditions was a section of the I. S. S. F. to cooperate with the government student organization of its country, the philanthropic and conservative International Student Service, or impotent student League of Nations associations, at the expense of forgoing criticism of these groups. Cooperation could be undertaken only when it did not involve compromising the program of the I. S. S. F.

One session of the Liége congress was a closed one for delegates from fascist countries and from countries, such as Esthonia, which might be expected to go fascist before the next congress. It made plans for illegal work in Germany, Austria, and the Balkans. A communication from Germany and the Austrian delegates testified that the paramount issue for students in fascist countries was one of academic freedom and intellectual integrity; that in Germany the students were sick of the barracks-room character that education had assumed; and that in Austria they were intensely resentful of the attempt of the Catholic church, abetted by the government, completely to clericalize the intellectual life of the country. The elimination of the *numerus clausus,* restoration of academic freedom, and resistance to incorporation into government youth organizations are to be made the rallying points of underground Socialist student work in fascist countries. To carry on this work a fund in memory of Georg Weissel, one of the heroes of February 12, is to be established, toward which every section of the I. S. S. F. is to contribute.

A resolution was passed for close cooperation between Socialist students in colonial lands and those in the mother countries in the fight of the former for liberation from imperialist control. The American delegates pledged themselves to call a pan-American student anti-imperialist conference as soon as it was practicable. The I. S. S. F. approved the one-hour student anti-war strike initiated last April by the Student L. I. D. and the National Student League, and moved to make the strike international in 1935.

The issue which provoked the greatest disagreement at the congress was that of the united front. The political committee brought in a resolution approving the establishment of the united front in France, recommending its establishment among all sections of the I. S. S. F., and instructing the two delegates of the I. S. S. F. to the Socialist Youth International to support a motion for cooperation between the Communist and Socialist youth internationals.

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A member of the Holland delegation declared that he still believed in democracy, political decency, and gradualism, and therefore was opposed to cooperation with the Communists. The delegates from Sweden, among others, said they favored the resolution but feared it would get them into trouble with the Socialist party in their country. The Denmark representative declared there were too few Communist students for the International to spend any time on the issue. Supporting the resolution from the outset were the delegates from the Student League for Industrial Democracy and from France, Belgium, Esthonia, and Austria. When the vote came, Sweden alone voted no.

A discussion of the analysis prefacing the united-front declaration neatly reflected the new trends in European socialism. This analysis stated that unity was imperative in view of the impotence and decomposition of bourgeois democracy when menaced by fascism. In its final form the resolution contained the qualifying phrase "in a certain number of countries." The French and American delegates declared that this phrase emasculated the analysis, since it was an easy matter to assert the impotence of bourgeois democracy after fascism had been installed. What was difficult and important to realize was that in any country the institutions of bourgeois democracy were incapable of resolving by parliamentary means the conflict of interests between capital, aided by church, press, and crown, and the working class.

This the delegates from the Scandinavian countries would never concede. But more important was the opposition of the Belgians and the English, who presented a rather new point of view. They insisted that a Socialist majority could be won for a program of socialization of credit and monopoly industry. Such a program, they declared, would be supported not only by the working classes but also by the middle classes. It is a policy which envisages the transition period to socialism as a mixed economy of socialism and capitalism. Instead of advocating wholesale socialization and thereby making enemies of the petty merchant, the Socialist Party under this scheme advocates transference to public control and ownership of enough of the economic domain to cripple the resisting powers of the capitalist class and to enable a Socialist Government to cope with the problems of unemployment and underconsumption. The Belgian Socialist Party is officially committed to this policy of the mixed economy. It is the program of the Socialist League of England, and there is a good deal of support for it in the French Socialist Party. It is a policy which first envisages a parliamentary majority, and therefore the Belgian delegates could not accept a resolution which rejected all hope in parliamentary majorities.

The congress was held simultaneously with the International Fete of Socialist Youth, which had 30,000 participants. A huge demonstration was the climax of the fete. As the lines deployed in front of the reviewing stand, in which were Emile Vandervelde, chairman of the Labor and Socialist International, and Friedrich Adler, secretary of the International, one thought of the 30,000 Austrian youths in Vienna in the 1931 fete, their splendid and colorful ranks. Today there were only one hundred of them, the most disciplined marchers, the most spirited, all bronzed from their two months' trek from Austria, chanting: "Wir sind die Arbeiter von Wien." As their contingent marched into the Cointe Stadium with their huge Red Falcon banner saved from the Heimwehr mercenaries, the whole mass of 50,000 spectators rose and cheered and wept. As the delegation passed in front of Vandervelde and Adler it gave the Social Democratic salute and shouted "Einheitsfront!"

At the closing session of the Liége congress of the I. S. S. F., after Vandervelde had concluded a remarkably stirring indictment of fascism and the preparations for war, the president of the Socialist Student Federation rose and handing Vandervelde a copy of the resolutions, calmly asked him to pay particular attention to that on unity.

It was the hundred Austrian youths and the memory of February 12 that made the Liége meetings more than a congress and more than a demonstration. The Austrian youngsters seemed to embody a living flame, from which everyone took fire and which translated itself into a demand that internecine strife in the working class cease, and that socialism take the offensive against its enemies.

In the Driftway

THE self-confidence generated by California sunshine is well known to those not favored by its rays. But District Attorney Neil McAllister is something new even among giant sunkist, tenderized, tree-ripened California avocados. He proposes to get out a petition to enjoin anyone in the State from contributing to or advocating any form of subversive activity threatening established government. (This is euphemism for communism. Bigger and better euphemisms are now being grown in California by the League of Decency.) It will be a great spectacle, ladies and gentlemen, worthy of De Mille, in which violators of the largest injunction ever seen on a single stage will be seized for contempt of court and thrown, like the lions of old, to the hungry Christians in the Hollywood Bowl without jury trial—a big scene featuring James Cagney, Lupe Velez, Dolores Del Rio, and Ramon Novarro, with scenario by Ella Winter and Lincoln Steffens. At this point the scene shifts to Atlantic City, and a convention of 500,000 Elks led by Grand Exalted Ruler Michael F. Shannon of Los Angeles (this is no coincidence) prances in and launches a nation-wide attack on communism. "No man," declaims Mr. Shannon, "can become an Elk unless he practices the love of country." While the Elks are practicing love of country there is a cutback to Cincinnati where the Fraternal Order of Eagles in convention assembled swoop down on communism. (The large birds complain that they cannot taste theirs.) Atlantic City again, and the General Order of Dodos, otherwise known as the executive council of the A. F. of L., swell the chorus with their well-known "call," "Drive Out the Reds." It will be a marvelous show, ladies and gentlemen, with the largest cast of birds and animals ever assembled in California. As Mr. Shannon has said, no man can become an elk—except possibly in California. And you can't keep the Sunshine State down. At least the Drifter can't.

* * * * *

THE book season is on and the Drifter's spy is sending him publishers' blurbs again. Judging from what he has so far received it is going to be a big year for blurb collectors, with blurbs hitting a new high. The Drifter

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promises a full exhibit later on. For the moment he cannot resist displaying two of his favorite items.

> Most of us have so grown up that we hesitate to tell even our bosom friend that we ever feel it desirable to say our prayers. I will admit that when I find myself in a dark cellar with no light and apparently no way to escape I feel like saying "Now I lay me down to sleep," and you know the rest.

The following pronouncement was obviously written by a publisher in just such a predicament—trapped in a cellar with no way of escape:

> I have just sent you ——. I am so fond of —— that I may not be competent to tell you what I think of this book. Under the circumstances I have concluded to say that there is that quality in [this book] which to me seems to even excel a different quality which brought me to love [the author's former volume].

* * * * *

SOME time ago the Drifter let fall some remarks about the hazards of chicken-raising from both a moral and an economic point of view. Apparently his words were widely read by experts in the field, and he feels a pardonable pride in reporting the receipt of an impressive-looking brochure addressed to the Drifter and entitled "Diseases of Poultry—Their Nature and Control"; it is published by the Experiment Station of the College of Agriculture of the University of Nebraska. The Drifter has had time to glance only at the index, which is positively hair-raising, with such headings as Avitaminoses, Favus, Roup, Blackhead in Turkeys, Coccidiosis, and Flukeworms, and confirms the Drifter's worst suspicions. He can hardly wait to read it. Meanwhile he is preparing for an honor which seems inevitable. He feels sure that by the time the next commencement rolls around some experiment station will be offering him the honorary degree of CC.D., or Doctor of Chicken Care. He will accept, provided no duties are attached.

THE DRIFTER

Correspondence

In Defense of the Utopians

TO THE EDITORS OF THE NATION:

I have scanned your columns for some weeks past in the hope of finding a commendatory exposition of the Utopian Society of America. This mighty movement is designed solely to bring about a new economic system based on production for use instead of for profit. It has now over 600,000 members and is adding thousands more each week that it carries on. Its tremendous growth is ample proof that the potentialities of this movement are unlimited, providing it can secure the unqualified support of the liberal element of the country. The Utopian Society has the possibility of expanding within a few months' time to at least 15,000,000 members. Can you imagine what such a vast number of persons thinking the same thoughts and working as a group for the same idea could do to bring about an orderly change of the economic system?

I should like to learn, if possible, why the noted liberals of this country, who are supposed to be whole-heartedly in favor of such a change in the economic structure of the country by peaceable means, have failed to rally around this society and espouse the cause. It seems as though they were satisfied to sing a thousand different songs instead of joining in one great chorus. Why have these famed thinkers never organized one huge, powerful movement that the people could take hold of and push through? And why, when a movement that has as its objective the exact ideals for which they have been working is started by others, do they not join in and use all their power to help? When I think of the possibilities of this society and what it could do for the people of this country, and then think that it may fail because self-styled liberals refuse to espouse it and carry it on to victory, it makes me think that they are worse than the Hoovers and Mellons. Just for once, I ask that all of you get together and throw all your resources behind this mighty crusade for economic justice.

Eagle Rock, Cal., August 28 W. E. THOMAS

A Plea for Higher Prices

TO THE EDITORS OF THE NATION:

Statesmanship is largely a matter of timing. The proof of the real statesman is his ability to act promptly in an emergency at the moment when action will do the most good. On May 7, 1933, President Roosevelt in a radio speech made a pledge to the American people. This pledge, if it had been followed by prompt action, might, I think, have gone down to history as a proof of Mr. Roosevelt's statesmanship and as perhaps the most important utterance of his career.

Periodically the United States runs into depressions in which a drastic increase in the value of money wrecks business and causes terrific unemployment and agricultural conditions in which the farmer finds it difficult to survive. In these times of so-called deflation, such as we are going through now, the "size" of the dollar greatly increases. The dollar not only becomes larger, scarcer, and dearer, but very much harder to earn.

The result is that debts of all kinds—federal debts, State, county, and city debts, the debts of corporations, and above all the debts of millions and millions of private citizens (for most people are debtors) engaged in business and in industrial and farm labor—become unpayable. They become a literally staggering burden which throws the entire economic system out of gear. In such a period of inflation, everything a man has to sell or offer, whether it be his own services of brain or hand, or the product of his farm or factory, is sold or exchanged at a discount. Incomes fall far below normal, while debts, in effect, rise far above normal on account of the high-priced, hard-to-earn dollar in which the law requires them to be paid.

That was the condition in 1933—and it is the condition now. That was why Mr. Roosevelt pledged the Democratic Administration to restore the dollar to its normal size, so that, as he put it in his radio talk, "those who have borrowed money will, on the average, be able to repay that money in the same kind of money which they borrowed."

Armed with ample powers given him by Congress, Mr. Roosevelt has taken some steps of a reflationary kind. But he has not carried through. The dollar still is a full third larger and harder to earn than when most of our debts were contracted. The debts still remain a crushing burden that holds down recovery, impoverishes the public, and decreases the buying power of all but a comparatively small and unjustly favored creditor class. Every moment of delay on Mr. Roosevelt's part puts off recovery.

Let us remember that Mr. Roosevelt's pledge of reflation was in no sense a revolutionary or "radical" promise. It was simply a promise to carry out a common-sense and clearly necessary measure of national housekeeping such as practically every

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civilized government has employed during the depression. England, Canada, Australia, France, and the Scandinavian countries have all successfully employed a policy of managed reflation in fighting the depression.

Business activity and profits are the mainspring of reemployment and wages. With ten million people idle we need quickly the rising price level promised last year by the President.

New York, August 15 AMOS PINCHOT

Patience Rewarded

TO THE EDITORS OF THE NATION:

After many years of watchful waiting I have finally found one expression in your editorial columns that bears out my opinion that time and circumstances will ultimately force *The Nation* to abandon its policy of offering panaceas for our social ills and take a definite stand on the question of capital and labor. I refer to the last three lines in your editorial Labor and Industry, in the issue of August 8: "There can be no permanent labor peace until the worker obtains not only decent working conditions but the power, through collective bargaining, to control those conditions."

No other period in the history of our country has been so replete with facts demonstrating the futility of trying to bring about permanent peace between labor and industry under the profit system. The ill-fated Section 7-a of the NRA attenuated the tow-line between labor and industry and strained it to the breaking point, and editorial writers, molders of public opinion, cannot much longer walk this line with safety. They must choose one side or the other. As for *The Nation,* I have no doubt which side it will choose.

Hillside, N. J., August 20 J. W. WARNER

To Iowa Readers

TO THE EDITORS OF THE NATION:

Will *Nation* readers in Iowa, particularly those in this vicinity, kindly communciate with me at 2501 Fifty-sixth Street for the purpose of forming a Des Moines *Nation* Readers Club? A downtown meeting place will be available free of charge.

Des Moines, August 20 THEODORE KAIN

Contributors to This Issue

V. K. KRISHNA MENON is the secretary of the India League in London.

WILLIAM ADAMS has contributed articles on maritime shipping to the *Forum* and other magazines.

JOSEPH P. LASH is editor of the *Student Outlook.*

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T. A. BISSON is the Far Eastern expert on the research staff of the Foreign Policy Association.

JAMES T. FARRELL is the author of "The Young Manhood of Studs Lonigan." This fall he will bring out a new book, "Calico Shoes and Other Stories."

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SEX HABITS

A VITAL FACTOR IN WELL-BEING

By A. Buschke, M.D. and F. Jacobsohn, M.D.

Specializing Physicians to the Great Continental Rudolf-Virchow Hospital

Foreword by Gerard L. Moench, M.D.

Associate Professor of Gynecology, New York Post-graduate Hospital, Columbia University

SUBJECTS EMBRACED

THE SEX ORGANS (Male, Female)
SEX INTERCOURSE (Analysis, Nature, Methods, Frequency)
SEX DIFFICULTIES (Adjustment, Technique)
MARRIAGE (Sex Aspects, Instruction)
VALUE OF REGULAR SEX INTERCOURSE
SEX HYGIENE (Precautions, Directions)
THE SEX IMPULSE (Contrasted: In Men, In Women)
SEX VARIATION (Physical, Psychological)
VARYING SEX PRACTICES
SEXUAL SHORTCOMINGS (Impotence, Frigidity, Sterility, etc.)
SEX DANGERS (Coitus Interruptus, reservatus; etc.)
SEX ABNORMALITIES (Perversion, Sadism, Masochism, Fetichism, Exhibitionism, Homosexuality, Hermaphrodism, etc.)
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Labor and Industry

Stepchildren of the New Deal

By WARREN C. MONTROSS

AGRICULTURAL laborers continue even under the New Deal to be America's worst-exploited workers. They lack even the moral support of the NRA codes and are not mentioned in the AAA program. Only when they organize and strike do they attain to some of the privileges enjoyed by industrial workers—the privilege of being enjoined, shot at by deputies, and mobbed by vigilantes. Landowners of the rich Scioto Marsh in Hardin County, Ohio, have learned the use of vigilantes in opposing the strike of farm laborers organized in the Agricultural Workers' Union, who have been out since June in a fight for union recognition and thirty-five cents an hour instead of the twelve cents or less previously paid. The struggle reached its climax when the strike leader, Okey Odell, while in the custody of Sheriff Wilbur Mitchell and twenty armed deputies, was abducted by 200 vigilantes.

On June 19 and 20 of this year Okey Odell, an onion weeder, and J. M. Rizor, an organizer for the International Quarrymen's Union, formed the first union of farm laborers to be affiliated with the American Federation of Labor. When the thirty members of the Onion Growers' Association operating the seventy square miles of marsh farms refused to deal with the union committees, a strike call was issued which was 100 per cent effective. The strikers, with the simple directness of new unionists, good-humoredly stopped all automobiles entering the marsh section and searched them for strike-breakers. There was no violence.

Two days after the beginning of the strike Common Pleas Judge Hamilton E. Hoge issued one of the most inclusive injunctions in recent labor history. Handed down on petition of the growers' association, it not only restricts peaceful picketing to groups of two but leaves to the discretion of deputy sheriffs the distance allowed between such groups. Thus thirty-four pickets were set at first twenty-five, then fifty, and later a hundred yards apart by successive groups of deputies, and were finally arrested by another group for "congregating in violation of the injunction." On other occasions pickets have been called together by the deputies and, when they obeyed, arrested for "congregating."

To enforce the injunction fifty-four deputies were immediately sworn in by Sheriff Wilbur Mitchell. The deputies are almost without exception members of the Hardin County detachment of the National Guard, "veterans of Toledo," according to the sheriff. When Governor George White was asked by the strikers why the deputies were recruited from the Ohio National Guard and why they were armed with riot guns, machine-guns, and tear-gas equipment from the Kenton armory, he replied that the guardsmen were there as "private citizens." That veteran of Toledo saw nothing strange in the use by "private citizens" of Ohio's paraphernalia of war. Officers of the National Guard directed the placing and drilling of the deputies and made several talks to them in their quarters on the property of the Scioto Land Company. Citizens complaining of being molested by the guards were referred by the sheriff to Brigadier General Connolly. The sheriff later learned the niceties of Ohio politics and ordered investigations which were never completed.

The strikers were not impressed by the impartiality of the law when their strike leader and president, Okey Odell, was arrested on complaint of Jennings Stambaugh, Scioto Land Company official. Stambaugh, according to testimony of the town marshal of McGuffey, approached the strike leader on the street and in the course of an argument flourished a gun in his face. Arrested by the marshal, Stambaugh retaliated by having Odell arrested for congregating a crowd in violation of the injunction. Odell served ten days, the limit for contempt of court in Ohio, on the testimony of Stambaugh, of a spraying-machine owner who works for the growers, and of a clerk in a hardware store owned by one of the growers who was two city blocks away from the disturbance. The charge against Stambaugh was thrown out of court.

Work in the marshes is uncertain at best. Because the growers prefer to use the cheap labor of children from nine to fourteen years of age, there is seldom as much as ninety days' work a year for adult members of families—at twelve cents an hour and less. The bulk of the work consists of weeding the onions after the planting season. Hand-propelled wheel hoes are run between the rows, followed by hand weeders who crawl on their knees all day in black muck which reaches a temperature of 170 degrees in the July and August sun. For this back-breaking work the strikers ask thirty-five cents an hour. Obviously, with ninety days' work a year at the best, this amount, even supplemented by relief, would not mean a comfortable standard of living.

Meanwhile the growers are as prosperous as they ever were. Prices of onions last season were nearly as high as in 1929, but present wages are less than half the rate of that "boom" year. The price per hundred pounds was $1.50 in 1929, $2.50 in 1931, $1.45 in 1933. Wages were cut deeply in 1931, a most profitable year for the growers. In 1929 wages were around twenty-five cents an hour; this year they have dropped to $1.25 and less for a ten-hour day.

Homer J. Brown, federal labor conciliator, spent two days interviewing the growers and presented the proposal of the owners to the strikers—fifteen cents an hour and no recognition of the union. Had the conciliator consulted the strikers, he might have saved himself the indignity of being hooted as he left. Had he investigated, he would have found a condition of virtual peonage, described by a town business man as "the sweetest racket in the State."

In addition to work on the owner's plantings each tenant farmer tends a patch of onions for the rental of a shack, unbelievably dilapidated, without heating facilities, and usually without windows. Theoretically the shares are fifty-fifty, but charges deducted from the tenant's share often leave him at the end of the season with nothing paid but his rent. In previous years the grower paid for "fitting" the land, that is, preparing it for use. Now the tenant is charged

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as much as $12.50 an acre for this service, the amount being deducted from his "share" at the end of the season, though the tenants claim, and they are supported by the figures of the few independent farmers in the marsh, that fitting costs the growers no more than $7.50 an acre. And the tenant goes on sharing to the end of the season, when he must pay for the crates in which his onions are packed. At harvest time the tenant trucks his onions to the huge warehouses maintained by the Onion Growers' Association. There his share is computed at a price set by the growers, through their ownership of the association. Culls and rejects, for which the tenants receive nothing, are sold by the association to canneries.

The Mayor of McGuffey, Godfrey Ott, who is also a grocer, claims to have bills outstanding against tenants to the amount of $4,500. Insurance men tell of industrial policies dropped these last two and three years until virtually no worker in the marsh has a reserve even for burial expenses. Almost all the small business men in McGuffey and Alger are caught in the same economic trap as the workers. Health conditions, as might be expected under the circumstances, are miserable. Six women in a random gathering of twenty at strike headquarters had suffered still-births or miscarriages during the previous year. But a miscarriage may be counted as good fortune if children must grow up in the marsh. A report on school attendance prepared and issued before the strike reflects the general conditions of ill health.

> Fewer than 50 per cent of the pupils complete the eighth grade. . . . The intelligence quotients of the pupils in the marsh district vary from average to 20 per cent below average, as compared with the upland schools in the township [Marion]. . . . In the opinion of Frank C. Ransdell, country superintendent of schools, the low comparative intelligence level of the marsh-district pupils is due to environment and malnutrition rather than to heredity. He estimates that under improved living conditions this district would compare favorably with the upland school districts in the township and county.

The growers have learned from industrial manufacturers how to persuade the State to do some "sharing" too. On petition of the growers an agricultural experiment station was set up in the marsh a few years ago to study rotation of crops in an attempt to revive the land, which is deteriorating because of one-crop plantings. Since the station has been established, it has been devoted to replenishing the land for the continued planting of onions; the growers are reluctant to abandon a crop over which they have monopoly control.

Evictions of tenant farmers have begun in the district. With their kitchen gardens confiscated by the growers in the process of eviction, the workers face a winter unequaled even in their experience of misery. But they remain militant. A written agreement entered into between officers and rank-and-file members of the union and officers of the Ohio and National Unemployed Leagues sets a precedent in relations between organized unemployed and strikers. The agreement provides for defense of both union members and Unemployed League members by the same legal-defense machinery; for representation of league members on committees of the strike; that the "strike will continue with militant tactics"; and that no settlement of the strike shall be made without agreement of the strikers, including league members active in the strike. The latter clause was inserted as a result of the rich experience of the leagues in winning strikes for A. F. of L. unions, which were settled over the heads of the strikers by federation officials considerably less militant than the body of strikers.

Sam Pollock, a district vice-president of the Ohio Unemployed League and a leader in smashing the injunction at the Electric Auto-Lite plant in Toledo, has been jailed and held in $1,000 bail. The charges against Pollock are "unlawful assemblage," "inciting to riot," and "malicious destruction of property" growing out of retaliation by strikers when a truckload of strike-breakers attempted to run down a group of pickets. Pollock's wife is denied access to him, and when defense lawyers were finally successful in seeing him they were hedged about by deputies during the entire conversation.

Following a confrence between Okey Odell and Robert C. Fox, the federal labor conciliator who has been sent to the scene by Secretary Perkins, local newspapers carried stories to the effect that the strikers were willing to accept twenty-five cents an hour instead of the thirty-five cents demanded, though Odell authorized no such statement and the growers remain adamant in their refusal to recognize the union or make any concessions. The landowners are evidently depending on the vigilantes to do their conciliating.

Berry Picker

By JOHN MACNAMARA

ABOUT the first of July, after nine months of searching for a job in New York, I took to the road with two dollars in my pocket on the chance of getting summer work in the country. In the middle of July I reached Newburgh. The National Reemployment Service in that town had nothing to offer me, but an advertisement in the local newspaper said that berry pickers were wanted at a place seven miles up the river. I arrived at dusk and the farmer said: "A cent and a half a quart. You feed yourself. Come up to the shack and I'll see if I can find a cot for you."

We climbed a hill to a small four-room house. An extra cot was there. The boss dug up a bulging straw-filled mattress and left me. Outside about seven men were cleaning up after supper. Two of the men were middle-aged, two were definitely old. There was a pair of young Negroes. Floating labor, just a step above hobos. The few dollars to be made here would keep them from begging hand-outs for a while, maybe get their shoes resoled. This short interlude from the road would give them a chance to clean and mend their few belongings and rest their feet; berry-picking is easy on the feet. We sat around the dying fire, rolled cigarettes, and talked. A young Dane named Paul said to me: "Get into the field early in the morning, about 6:30 or 7. Don't bother laying in any grub till tomorrow night. You can share mine till then and we'll go fifty-fifty after."

All the cooking was done over two small camp fires in a frying pan and two empty half-gallon cans, which served also as dishes. Tea was drunk from a well-washed bean can. I took off a layer of clothes when I went to bed but woke at midnight half frozen in the cold air that comes down from the mountains, so I got into my clothes again

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and finished the night well doubled up on the mattress. The other men, I found later, had either slept in their clothes or lain under a couple of fertilizer bags. I stole four empty bags from the barn that day and thereafter slept warmly and awoke scented. The farmer had once provided blankets and cooking utensils, but they were invariably pilfered by the transient pickers. Cooking breakfast outdoors is not unpleasant; the appetite in that bracing air is formidable. Beans, bacon, potatoes, bread, and tea is practically the standing menu—they are easy to prepare, nourishing, and above all cheap.

This farm is planted entirely in fruit—apples, pears, and grapes. In the young orchards currant bushes are planted in the rows, raspberry bushes between the rows. Each picker has a "carrier"—a tray with a handle which holds eight quart boxes. In the forenoon we pick currants. This is nice. You can sit down to the low bush, which hangs thick with fruit in small clusters. It should go quickly, yet it was more than an hour before the eight boxes were filled. Paul was picking the next row and came over to look at my carrier. "That ain't enough, you got to top them." My quarts seemed full but his looked as if each one held a quart and a half. "Unless you bring 'em in that way they'll only punch your ticket for seven." I took his advice and it was some time later when I fetched my heaping carrier to the packing shed. Eight baskets, twelve cents.

At about eight o'clock the "families" began to arrive from Newburgh and the surrounding country—a father and mother and perhaps five or six children in a Ford car. They rapidly picked the best rows. Close to me four children moved up and down the row with nimble fingers. The parents scolded or cajoled as the hot day wore on and the kids whined or sulked under the monotonous work. Their ages ranged from six to twelve or thirteen. In the same family two little girls even younger tended a baby on a blanket under a tree and dutifully fed it the bottle when it cried. A few days later I happened to be present when this family was cashing its ticket. For one day's work of nearly ten hours the father collected for himself, his wife, and four children $2.44.

In the afternoon we picked raspberries. This is much slower work. The berries are few and scattered, because they are picked every day or two as the berries ripen and before they fall off. The sun scorches as you walk slowly along the row, stooping, picking, straightening up, and resting a minute at the end. Raise your head and enjoy that superb vista. The Hudson Valley falls away at your feet. Across the river the rolling fields of Dutchess County mount to the distant Berkshires.

I quit at five and went downtown to buy food. It is a two-mile walk to the village and afterward there is kindling wood to chop and supper to get. Bread and beans, a cigarette—and then add up the punches on the ticket. First day twenty-three quarts, thirty-four and a half cents. "What the hell?" I asked Paul. "How am I going to eat on those wages?" "You'll do better," he said. "I made forty-eight cents today." Another lad remarked, "I been here a week now and I haven't made a dollar any day yet." Sixty and seventy-five cents were the top earnings for the day. Luckily, food was cheap. About a quarter a day would feed a man, with a few cents extra for cigarette tobacco. The wage scale is fixed among the local fruit growers. None of them

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paid more than a cent and a half a quart. They said the price of berries was low, only seven and eight cents from the New York commission merchants. But the farmers hereabouts have a prosperous air—good automobiles and trucks, substantial houses with all modern conveniences.

There are no lights in the shack, so we go to bed early. A rising half-moon silvers the quiet vineyards. Whip-poor-wills call from the hill orchard. A lovely country—I'd like to make a living here.

I worked seven days and then took to the road again, with a net profit of ninety-eight cents.

Labor Notes

New Jersey Red-Hunt

WHILE the Congressional barnstormers continue their probe into un-American activities, the State of New Jersey is conducting her own private little red-hunt, with legislators trying to find out what is behind the two recent Seabrook Farms strikes and other labor troubles. Naturally they have discovered that Communists are to blame for introducing the serpent of discontent into the Garden State, and they have also made it a point to ask the Seabrook strike leaders whether they believe in God. (It is perhaps only a coincidence that the chief inquisitor, Assemblyman Douglas V. Aitken, is also counsel for the Seabrook Farms.) Such unusual interest in the Deity is of course recorded by the press as news, but there were revelations at the same session of the inquiry which didn't get printed. For instance there was the revelation that Victoria Ditteralli, sixteen, an employee of the farm since she was twelve, and scores of other girls, child labor if there ever was child labor, received only seven cents an hour until the first strike in April, when a higher scale was won. Meanwhile, the New Jersey State Labor Board valiantly did its best to break a strike on the Delaware River Bridge speed line between Philadelphia and Camden—apparently the first PWA strike on record. Although this is a PWA-financed project, a New York contracting firm (the Marcus Company) is doing the building. Some 200 men walked out, asking union recognition and higher wages, and charging that skilled men were receiving the unskilled rate of pay. The contractor has passed the buck to the PWA, and the PWA has passed it back. Appealed to for scabs, the State labor board sent out a call for 200 men on relief and unemployed lists. When the men learned what sort of job it was, not one would take it, need it sorely though they did. The cry of Communist has been raised here also, but on the whole it would seem New Jersey's red-hunters are hoist with their own petard. Her labor troubles, as usual, originate with the employers of labor, not with the workers.

Employers in Flight

JUDGE ROSENMAN'S ruling in the doll and toy workers' case is one of the most encouraging labor decisions handed down by a New York State court in recent years. The employer—Ralph A. Freundlich, Inc.—was enjoined from violating the terms of his collective agreement with the union. Further, the court held that a closed-shop agreement with a trade union was valid within the meaning of Section 7-a. Finally, the court suggested that an employer might properly be enjoined from moving his plant from a high-wage unionized area to a low-wage unorganized area, if it could be shown that the removal was for the purpose of evading a union agreement. Judge Rosenman did not proceed on the theory that an employer who contracts with a union becomes an industrial serf bound to the region where the agreement first applied. The court merely applied the obvious principle that an employer must observe his contracts. And in New York State at least, it is no legal novelty to regard a trade-union agreement as binding and valid. This decision will doubtless help to check the flight from trade-union contracts by "runaway employers," who for many years have been migrating to the more comfortable open-shop climate of New Jersey and New England. The decision touches directly on the issues raised in the case of the International Pocketbook Workers' Union versus Enterprise Accessories, Inc., which the New York Regional Labor Board has just referred to the National Labor Relations Board for final determination. Here the question is of a manufacturer who threatens to remove his plant to Greenfield, Massachusetts, rather than renew an agreement with the union. Significantly, in a case recently decided, the national board ordered several parlor-furniture companies, now located in Jersey City, to reinstate all their former employees, members of the Furniture Workers' Industrial Union, who applied for jobs. The companies in question—and here was the crux of the matter—had transferred their operations from Brooklyn to Jersey City in order to be rid of their obligation to employ union workers, who were members of a left-wing labor organization.

CHALLENGE TO THE NEW DEAL

Edited by
ALFRED M. BINGHAM
and SELDEN RODMAN
Editors of "Common Sense"

Introduction by
JOHN DEWEY

★

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Upton Sinclair
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Raymond Gram Swing
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Books

Lewis Corey Examines American Capitalism

The Decline of American Capitalism. By Lewis Corey. Covici-Friede. $4.

ABOUT a century ago a Jewish exile in London, regarded as unconscionably dull by his associates, spent a lonely and eccentric existence writing huge and very dull tomes. He was mainly concerned with a political solution, for which he was a flaming advocate. As an adjunct to this, he spent tremendous effort on a critique of the economic system. His devotion to his political solution was so great that it was not until recent years that his economic work came into its own.

Karl Marx's view contemplated an industrial civilization growing and expanding until recurrent business cycles should put so great a strain on the social system as virtually to force its change. He was disputing Adam Smith's theory that economics continually achieve a workable balance. He had no facts on which to base his view; for Adam Smith had tried to indicate that the tremendous development of capital goods, the continuous expansion of plants, the growth of large corporations, was impossible. Marx thought differently, but he was still guessing. He guessed rightly at least as to expansion. His ideas, factually developed, were closer to the facts than Adam Smith's; and today we meet the issue which Marx, in terms of economics at least, foresaw.

Lewis Corey sets himself the task of demonstrating that Marx was right. It cannot be said that in terms of strict quantitative analysis he has achieved this. Mr. Corey, having settled to his own satisfaction that there must be an American revolution with a Communist outcome, proceeds to draw this conclusion from all his economic data. A man without preconceptions, if any can be found, might take exactly the same figures and come to an exactly opposite conclusion.

Though the book may be dismissed as science, it must be considered an extremely brilliant Communist tract, whose ideas command real attention and must be taken into account in the coming development—there is no *solution* in economics—of the American system.

Briefly stated, Mr. Corey's theses are as follows:

1. That, in prosperity, profits and production rise but actual wages and consumption fall. The increased productivity thus cuts capital goods. This conclusion is devastatingly similar to that set forth in an article recently published by Professor McNair, of the Harvard Business School, who insisted that American employment could only be maintained if a considerable part of it went into the production of additional capital goods, though, of course, McNair did not admit that consumption and wages did not share the benefit.

2. That capitalism inevitably means accumulation of capital and of capital goods which outstrips itself until at length, as the ever-accumulating and concentrating pools of capital flow into capital goods and plants, production overbalances consumption. The unbalance at length wrecks the country, and the whole scheme comes down. In other words, the very prosperity of today forces the depression of tomorrow as capital and capital goods go into plant capacity instead of into consumption. "The incapacity of capitalism to develop *all* forces of industry" makes breakdowns successively so destructive as to bring down the whole system.

3. A capitalism finding itself in difficulties will at once flee to the government, at length dragging down with it the structure of government finance.

These conclusions, of course, are merely a restatement of the familiar Marxian doctrine. I am inclined to agree that the conclusions are probably sound. The explanation of America's long and—relatively—successful experience with capitalism is readily and probably correctly found in the protracted existence of the frontier and the continuous new development.

Nothing cited by Mr. Corey, however, leads to the dilemma which he presents. Readjustment to him means accepting an intolerable fascism or a communism which, as he paints it, would seem to be almost equally intolerable. Now it is just possible that all of the social inventiveness of the world was not exploded between the two poles of Adam Smith and Karl Marx. It is possibly not permitted to a Communist, but it certainly is open to a student, to suggest the bare possibility that human thought may have advanced since the days of Karl Marx; and that even the Russian experiment is far from complete. What is really needed is a new social theorist equal in stature to Adam Smith or Marx. It is just conceivable, for example, that the surplus productivity whose existence Mr. Corey proves might be used to guarantee a minimum standard of living, leaving individuals, within limits, to exceed that minimum as much as they are able. That society is not purely material, every serious student of politics and history knows. Even capitalism has produced its cultural values, as did the military autocracy of Louis XIV in its day; and that this is one of the principal achievements which can be vouchsafed to any civilization seems to have been left out of Mr. Corey's reckoning. It is regrettable that a book which might have been a brilliant critique of certain tendencies in American economics which must be faced sinks, through its adherence to Communist cant, to the function its author marked out for it, and becomes merely some more Marxist literature.

A. A. Berle, Jr.

A Biographer in Search of His Subject

The Quest for Corvo. An Experiment in Biography. By A. J. A. Symons. The Macmillan Company. $2.50.

IN "The Quest for Corvo" A. J. A. Symons takes the reader wholly into his confidence by way of a method quite new in biography. We are not treated here to an orderly summation of source material or to an omniscient critical digest of it. What we have is the orderly account of the quest itself and criticisms of its picturesque subject from the personal point of view of scores of witnesses, with, in the main, simple commentary by the author. Only those engaged in like quests know the difficulties this biographer faced in collecting his data, and none but a brother-biographer can gauge the perfection of ease with which he has presented his case. He has presented his notebooks *in toto*—the clippings, the letters, the interviews, the notes, just as the cards fell—and they prove what all seekers after such treasures know: that in pursuit of an active curiosity one follows a pattern of accident and coincidence. We have here not only a rounded biography of an unknown figure in letters but a most absorbing story of how it came to be. Throughout most of the book this is the method pursued—a method which fits this particular subject like a velvet glove. Corvo was a very queer case, and with the Symons notebooks on it thrown open, we follow its history as Symons uncovered it, and emerge at the end in full possession of all his data—a privilege enjoyed by few readers of biographies heretofore.

The quest for Frederick William Serafino Austin Lewis Mary Rolfe, self-styled Baron Corvo (born 1860, died 1913), began "by accident" one summer afternoon in 1925, when Chris-

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topher Millard, interesting London dealer in rare books, offered his friend Symons a book of 1904, "Hadrian the Seventh," by Fr. Rolfe, as a thing worth reading. Symons read it; was amazed at its style, its brilliance, its plot, its naked revelation of temperament, its pressure on curiosity. Was the author dead or alive? What else had he written? Why was he "an unknown"? He did not realize at first that, despite its wild plot of an English priest made pope, the book was really autobiography.

Talking with Millard—who spoke guardedly at first—he gathered that Rolfe was dead, that he was a spoiled priest, that he had written books as "Baron Corvo." Then Millard produced a morocco-bound quarto of twenty-three typescripts of letters from Venice to an unnamed correspondent in 1909-10—letters of such nature as to make the author of the idealistic "Hadrian the Seventh" seem a man of incredibly dual temperament. Later Millard produced the originals of the letters—on paper of the oddest sizes and shapes, in the most beautiful "hand-printing" in inks red, blue, green, purple, and black. He produced a proof of Shane Leslie's London *Mercury* article on Rolfe with its few known facts, and a sheaf of press cuttings it had evoked, with "lost works" of Rolfe cited by Harry Pirie-Gordon and Frank Swinnerton. With the scent of "lost works" in Symons's nostrils, the hunt after the secret of this gifted, dual-natured, unknown figure was on.

It is this chase we follow—the first letters of inquiry written everywhere, the answers as they came in, the new clues to investigate, the reliability of the witnesses tested as they testified. We share in the labors, the mystifications, the hard luck, the good luck, the marvel—as always—of the play of coincidence. We delight near the end in the sudden eruption of Mr. Maundy Gregory, plump, rubicund, mysteriously interested in Rolfe and the quest, very rich and rather pleased to prove his dictum that money can do anything by recovering two of the "lost" works. The Maundy Gregory episode is Aladdin-like, purely lucky, charming, fantastic.

And meantime we are seeing the man, "Fr. Rolfe," "Baron Corvo," from scores of personal angles as failed priest, fair painter, inventor, poet, historian, biographer, novelist, early "ghost-writer," collaborator, musician, composer, astrologer, Venetian gondolier, inmate of poorhouse and palaces, writer for the old *Yellow Book,* friend of Robert Hugh Benson, Henry Harland, Sholto Douglas, protege for brief periods of many, including an English Duchess of Sforza-Cesarini from whom Rolfe claimed to have received a small Italian estate carrying with it the title of Baron Corvo. He epitomized all that the eighteen-eighties and nineties seem to carry as characteristic; the extracts given here of his prose date him more than the period itself—they are not "purple patches"; they are the purple robe itself. So we may not have to read "Hadrian the Seventh." But we shall miss a good deal if we fail to read this novel biography of its author.

EDNA KENTON

Proletarian "Grand Hotel"

The Foundry. By Albert Halper. The Viking Press. $2.50.

SO many good things will be written about Mr. Halper's new novel that it is best for me to concentrate on its faults. Its vigor, its earthy breeziness, its accurate observation, its detailed re-creation of the milieu of the foundry, all these will be sufficiently, and rightly, praised. It may not, however, be frequently enough noted that what these amount to in the end is little more than skilful reporting, a sense of humor, and clever manipulation of conventional material.

Of those qualities that distinguish the first-rate novelist—a sense for organic form, psychological penetration, a sustained style, philosophic depth in relating together the problems of his work—Halper has as yet shown us nothing. I am not sure that he entirely lacks these qualities; I feel that in part at least he is misled by his conception of the novel.

"The Foundry," like the earlier "Union Square," is written in the "Grand Hotel" manner, presenting what is called a cross-section of life but is actually, of course, a cross-section of standardized literary themes. We all know the formula by now: tricky realism in handling the scene, and then dozens of characters involved in dozens of stereotyped situations, all either melodramatic or full of "human interest," hitched together loosely by the single scene, and coincidence.

Since no character or situation is really developed, this formula means that the novel or play or movie constructed in accordance with it necessarily remains on the surface, necessarily appeals only to stock responses already conditioned by the literary conventions which are the basis of the otherwise unformed characters and situations. It is at best a stunt, and has already become a racket.

In Halper's case there is an additional complication. His hotel is a foundry, and most of his space is given to the workers in the shop. Thus, doubtless, we are intended to recognize a "proletarian novel." Now, the shallow and incompetent theorists, understanding neither Marxism nor literature, who have been laying down the law on proletarian novels might well have led Halper to think the "Grand Hotel" technique the correct solution for the difficulties of the proletarian novelist. The theorists say that "heroes" and "leading characters" are survivals of bourgeois individualism; the proletarian novel, they say, must have "the class" as its protagonist; its subject must be not individuals in their relations to each other but the struggle of classes. Reasoning from such a premise, it would be quite possible for Halper to believe that he had written a proper proletarian novel, since he has taken the workers of the shop as a whole, and the bosses as a whole, not overstressing any single individuals.

But the premise itself is meaningless, resting on an obvious confusion of categories. From the point of view of Marxism, economic classes are the terms of history, sociology, political economy. For the novel, however, as in the case of all art, classes of any sort are abstractions. Art is above all concrete, and classes are concrete only in the form of specific individual human beings. Consequently it is no paradox but the simple truth to say that only as embodied in individuals definitely related to each other can the novel present classes and the struggle of classes. If proletarian novelists want to learn how to make classes and the class struggle the subject matter of their novels, let them go not to the *New Masses* and the John Reed Club magazines but to Balzac and James and Proust. Where have "classes" been more convincingly portrayed? And precisely *because* it is done by means of the full treatment of specific individuals.

There is, perhaps, another possibility, one not yet explored by Halper or any other. It may be that if each individual were depersonalized to the fullest extent, if even the identities of individuals in the novel were confused, the class itself might, indeed, become the protagonist in a way that would make any event occurring to any individual seem an attribute or action or passion of the class as a whole. Thus the tragedies or victories, to whomever they happened, would have their significance only as related to the fate of the class. There is something of this, applied to the Faubourg St. Germain society, in the latter part of Proust. Halper, however, does just the opposite: his individuals, none of them presented in the full, are nevertheless all strongly demarcated "types," with odd and strained peculiarities. They remain, therefore, grotesque and wooden, with their movements all directed by the showman's wires.

JAMES BURNHAM

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Texture and Meaning in Poetry

The Pleasures of Poetry. First series, *Milton and the Augustan Age.* Second series, *The Romantic Revival.* Third series, *The Victorian Age.* W. W. Norton. $2 each.

EDITH SITWELL'S three anthologies are delightful and interesting chiefly because her knowledge of texture—of sound effects in words and the influence of these on rhythm—is extraordinary. Meaning, in her own poetry, is suggested by texture and rhythm; it is practically never stated. When, therefore, during a three months' illness Miss Sitwell decided to pass the time by getting together anthologies of her favorite poems, she collected and annotated most fully poems and poets whose command of word music she admired. Her book on Pope was such a study in detail as these little books are in general. She begins with Milton and ends with a single poem from Browning. She has written long introductions, much the most valuable part of the anthologies, for each book.

Miss Sitwell spends no time examining the well-recognized qualities of the English poets. She is interested in the slight and subtle changes of speed in lines in which prosodists have noted no change, in the effects of elision, caesura, pitch (height or depth of line due to sound); and these, she affirms, are things to be noted quite apart from the meaning or the associations which words carry. At times, to be sure, Miss Sitwell grows almost mystic. At times the ordinary listener will have difficulty hearing what she hears. But often she points out with lightning-like accuracy just what makes a line beautiful or ugly.

Since this is Miss Sitwell's interest and method it is easy to see why she picks first Milton, then Herrick (many of his less well-known and undoubtedly better lyrics), then Marvell. When she turns to Dryden she is dealing with a poet whose texture is in strict conformity with his purpose, which is very different from that of the poets preceding him. Here the enchantment of sound must become a part of the desired effect of the satires, which Miss Sitwell calls "thick, gross, terrible, and blind as stupidity itself." Dryden and Pope both obtain variation by the use of the caesura. This device they used, Miss Sitwell thinks, not only to vary music but to heighten meaning.

The romantic poets are for Miss Sitwell a tropical garden of the effects she delights in. Blake's lyrics begin her book. She finds that Shelley has "lapses," but is, in general, so fine in sound as to be almost beyond analysis. She notes that he obtains his poignancy, unlike most other poets, almost entirely by the use of sharp vowels—rarely by the use of words beginning with hard consonants. Keats's use of female endings interests her. The splendors of Coleridge she cannot quite define, and Wordsworth offers her material only here and there.

The third volume, "The Victorian Age," is the most exciting of all; for Miss Sitwell manages herein to reinstate Swinburne. Swinburne is, of course, her great love. And her introduction is devoted largely to the musical and textural effects in the work of a poet who commanded every possible kind of music. One returns to Swinburne, after reading her essay, with renewed delight, to realize that he is a master musician.

Rossetti, Miss Sitwell rates far below Swinburne, at much the same level as William Morris. Tennyson she places rightly—not as a Victorian but as a musician. Now and then she takes an opportunity to condemn the modern poets for their disrespect for the great Victorians. Christina Rossetti's "Goblin Market" is analyzed at length. And the whole collection tapers off with Browning's "In a Year." The pleasures of poetry are greatly intensified by Miss Sitwell's acute ear and interpretation in a series which is transformed by a singularly interesting point of view into something much more important than a mere collection.

EDA LOU WALTON

Fifty Million Peasants

China's Red Army Marches. By Agnes Smedley. The Vanguard Press. $2.50.

Fundamental Laws of the Chinese Soviet Republic. With an Introduction by Bela Kun. International Publishers. 75 cents.

IN "China's Red Army Marches" Agnes Smedley records in superb narrative episodes the formative years in one of the great creative movements of our era—the building of the Chinese Soviet Republic. The sweep of a matchless drama—fifty million Chinese peasants and workers rising up to overthrow an age-old system of exploitation—is captured within the pages of this book.

In "Chinese Destinies" Miss Smedley set the stage and introduced the protagonists in the historic class struggle that is convulsing China. "China's Red Army Marches" constitutes the first act in the drama. Through the rapid succession of episodic scenes there emerges a connected narrative of the Red Army's growth from its early struggles in 1927 to the victorious campaigns of 1931. Each phase of this progress is clearly marked—the initial successes of 1928 in central Kiangsi, the bitter winter of 1928-29, the rallying of the south Kiangsi peasantry in 1929-30, and the temporary capture of Changsha in 1930. Three years of struggle had stirred millions of peasants into action, and by 1930 the feudal land system had been uprooted over large areas of Kiangsi and Fukien provinces. The midsummer campaigns of 1931 witnessed a whole countryside in arms, defending the gains of the revolution against merciless invasion by the Kuomintang armies. Four steeled Communist army corps, directed by a smoothly functioning general staff, delivered successive smashing blows against the White divisions—vastly superior in numbers and equipment. It was the aroused peasantry, however, that weighted the scales of victory. They sapped the morale of Nanking's ill-paid mercenary troops by ceaseless propaganda, furnished a steady stream of information on enemy movements to the Red staff, acted as a supply corps to the army commissary, and provided an inexhaustible military reserve which was being continually armed with captured guns and munitions.

In the summer of 1931 hundreds of thousands of peasants had withdrawn southward before the advance of the Kuomintang forces. In the fall they returned as victors—but to a devastated countryside. Whole towns and villages, with their new Soviet schools and hospitals, had been razed to the ground by the Nanking Government's troops. An estimated 200,000 men, women, and children had been slaughtered. Through its press facilities Nanking heralded abroad the ravages of the "Red bandits." The guilt of these "ravages" does not rest solely on the shoulders of the Nanking regime. For Chiang Kai-shek's troops are trained by German officers, supplied with British and French munitions, and equipped with the newest American bombing planes. To the imperialist Powers Chiang Kai-shek is the "strong man" of modern China, as Yuan Shih-kai was in an earlier day. His function is to maintain law and order in their Chinese colony.

With the skill of a novelist Agnes Smedley drives home the searing realities of the clash of forces in present-day China through the life stories of individual persons. The mind struggles vainly to forget the tragic pathos of the death of Li-kwei, the boy bugler; the stark horror of "White Episode"; or the bitter sorrow of the burial on a wintry hillside of the wife of Chu Teh, the Red commander. Against the tragedy and pain are set the hopes engendered by the building of a new free society—the comradeship of the peasant-worker masses, their eager efforts to master the precious rudiments of the written word, the dawn-

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ing knowledge of their unity with the world proletariat. The book closes on a moving scene, as a thousand Communist Party delegates from eighteen Chinese provinces gather at Juichin in November, 1931, in the first All-China Soviet Congress.

This congress worked out the bulk of the fundamental laws of the Chinese Soviet Republic included in the second volume named above. In order to grasp the essential features of the world's second Soviet state, a careful study of this little book —especially of the principles set forth in the constitution, the land law, and the labor code—is essential. Such a study should convince the veriest skeptic that the Chinese soviet movement is more than "banditry," and more than a desperate peasant uprising. It is a disciplined, unified, conscious effort to establish a workers' and peasants' dictatorship, as the prelude to the building of a socialist state. For this reason, it has won the undying hatred of the Chinese ruling classes and their imperialist allies, be they German, American, British, French, or Japanese. For this reason, also, it constitutes—after the Soviet Union—the most significant social enterprise of the present day.

T. A. Bisson

Upton Sinclair—an Anthology

An Upton Sinclair Anthology. With a Preface by Upton Sinclair. Compiled by I. O. Evans. Farrar and Rinehart. $2.50.

MR. I. O. EVANS, the compiler of this collection, has attempted to forge from the vast bulk of Mr. Sinclair's writings an image of his "many-sided genius" and "to induce those who have regarded him as a mere Socialist advocate to realize his true standing in literature, and enable those who already esteem him as an artist to see the real value of his Socialist ideal." To facilitate this wishful task, Mr. Evans devised two major headings, The Pure Artist and The Socialist. Under these are listed Art, Love, Science, Industry, Wild Nature, Religion, and History for the first; Toil, Revolt, Martyrdom, and War, among many, for the second. From one to six excerpts illustrate each of these subdivisions. It has been imperative that the structure of this volume be restated, if only in cursory fashion, for from these loose classifications which Dr. Evans employs may be adduced the fundamental contradictions which underlie Mr. Sinclair's work.

Upton Sinclair, since he departed from Street and Smith pulp fiction, has regaled the citizens of this country with such provocative, illuminating dissertations as "The Jungle," "Oil," and "The Brass Check" on the one hand, and such hysterical, evangelical teachings as "The Wet Parade," "Mental Radio," and "I—Governor of California" on the other. Though he represents the muckrakers of the century's turn at their best, his career from that time onward has been a steady twirling as in an orbit around his own ego, otherwise known as a vague, humanitarian love of the human race. A "Christian steam shovel scooping up great mucky chunks of American injustice" (Mike Gold's superb simile), he has been a friend to Socialists, Communists, and the Women's Christian Temperance Union. However, as Mr. Evans attests, Sinclair's economic philosophy is by no means doctrinaire. What assertion could be more hopelessly confused than that his philosophy, "based *generally* [italics mine] on the work of Marx . . . takes into account more recent thought—notably the Social Credit scheme of Major Douglas."

Sinclair's most effective polemics have had but a temporary value. Through the many years of his political and literary activities, during which time the belief has steadily persisted that our social phenomena would somehow be measured and that we would be led ultimately to a rational control of events, Sinclair has maintained no deliberate and synthetic point of view. Attempting to assimilate the entire complex of America —witness his volumes on religion, the press, our educational and economic methods—he has steadily failed to create a modern philosophical synthesis concordant with the great scientific, social, and economic movements of our day. He has been a master of marionettes, afflicted with messianic illusions, manipulating his puppets before an unsuspecting and, for the most part, naive audience. For this same reason his novels have been thematically uneven, and in the main poorly told.

Mr. Evans, editing this volume for the English public as well as the American, through his choice of excerpts would make Sinclair appear to be what he is not—an organic artist with an integrated metaphysic.

Eric Ely-Estorick

Soviet Story-Teller

On the Volga. By Panteleimon Romanof. Charles Scribner's Sons. $2.

THE short stories of Panteleimon Romanof reveal a preoccupation with sexual relationships and the emotions of love. In the best of them two opposing attitudes are dramatically contrasted. These attitudes may be suggested by such terms as the romantic and old on the one hand and the materialistic and new on the other. The heroes and the sufferers of these tales are intellectuals, office workers with traits if not memories of the old Russia, a series of protagonists who retain many of the characteristics, among them soulfulness and talkativeness, of the heroes and heroines of traditional Russian fiction. Perhaps Romanof's most representative story is Without Cherry Blossoms, the title piece of his previously translated volume. Here he uses his characteristic contrivance of focusing the theme through the mind of a feminine character, a girl who is dismayed at the newer and freer morals, the biological rather than the romantic emphasis on sex, of the Konsomols. In the present volume The Scent of the Birch Trees is a weakened repetition of the essentials of Without Cherry Blossoms.

In One of Us and Apple Blossoms Romanof broadens his dominating motif. One of Us depicts the relationship of a kulak father and a son who is a Communist Party man; Apple Blossoms deals with the relationship between a sensitive elderly artist and his landlady, a superstitious, money-grabbing peasant woman. Again, in three sketches of modern Soviet construction placed at the end of this book Romanof strings this same tune. But while these sketches are interesting, they are calculated to appeal to a Russian rather than to an American audience, and despite his Soviet enthusiasm Romanof does not develop his theme with the same strength as in his best stories.

In his best work Romanof reveals responsive sensibilities, a comprehension of feminine emotions, careful psychological observation, an understanding of dying values—an understanding free of that nostalgia which sickens the work of writers like Bunin—and a mastery of the short-story form. On the other hand, some of the tales are slightly stale suggestions of De Maupassant. A few are transiently humorous trivia. Others, such as The Woman in Black, restate too much of the content of the author's earlier work, and incline toward sentimentality. Romanof has a secondary but honest place in the great tradition of pre-revolutionary Russian writing.

James T. Farrell

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